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# Is the Grass Greener Elsewhere? Organizational Factors for the Retention of Sustainability-Driven Employees

Master's Thesis by Miriam Peckart

M. Sc. in Business Administration – Entrepreneurship, Innovation and Strategy

Faculty of Behavioural, Management and Social Sciences

University of Twente

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1st Supervisor: Dr. Barbara Kump

2nd Supervisor: Dr. Svenja Damberg

# Abstract

With the increasing importance of sustainability for employees, they tend to seek employment in a company that reflects sustainability in their business practices. It becomes crucial for companies to consider sustainability as a relevant retention factor. However, only little research exists about the sustainability dimension in retention. Overall, corporate sustainability is identified as having a positive effect on employee retention, yet these existing studies and theoretical frameworks do not consider it from the perspective of sustainability-driven employees and do not explicitly reflect the sustainability dimension in retention. Therefore, this study aims to explore the sustainability dimension in retention by identifying which organizational factors can influence employee retention, focusing on those with strong sustainability values as a response to the general demand for more sustainability. A qualitative and inductive approach was used to fill the research gap around sustainability-driven employees, involving interviews with 15 people identifying as such. The interview data was coded and categorized in two rounds, one close to the informant terms and the other connecting to the theoretical landscape to ensure academic rigor. The result of the study is a grounded theory model showing which and how organizational factors increase the retention of sustainability-driven employees. The model not only provides a deeper understanding of the factors influencing employee retention but also offers practical implications for organizations aiming to retain sustainability-driven employees. Lastly, the model may serve as the foundation for future research on sustainability-driven employees, with possible research avenues outlined in the conclusion.

Keywords: *employee retention, grounded theory model, job embeddedness theory, psychological contract theory, strong sustainability values*

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# List of Abbreviations

CSR          Corporate Social Responsibility

ESG          Environmental, Social, Governance

ESSVs        Employees with strong sustainability values

HR           Human Resources

IPC          Ideology-infused Psychological Contract

KPI          Key Performance Indicator

SDGs         Sustainable Development Goals

# 1 Introduction

The term sustainability, often defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations Brundtland Commission, 1987), has become more than a buzzword in times of accelerating climate change, severe weather events, ongoing drought, and rising temperatures. As part of society, employees, especially the younger generations, start to expect sustainable behavior from their employers, which becomes crucial in recruiting and retaining employees. They do not want to work for unsustainable companies anymore. Related to this, a novel phenomenon called *climate quitting* has emerged. It is a term used to describe the practice of employees resigning from their jobs due to their perception that the company's sustainable efforts are unsatisfactory, often in favor of organizations that align more closely with their environmental values (Byrne, 2024). A study by Deloitte (2023) with 22,000 participants found that 17% of Gen Z and 16% of millennial respondents have already quit a job due to climate considerations. More than 20% intend to do so in the future. Thus, focusing on the retention dimension which is special to these individuals and which they value deeply, i.e., the sustainability dimension, could help to counter climate quitting.

To shed light on the overall notion of employee retention, job embeddedness theory is a frequently used concept. Job embeddedness refers to an individual's environment and how an individual is integrated with it, used to predict voluntary turnover (Arici et al., 2023; Mitchell et al., 2001). It comprises a broad range of on-the-job and off-the-job influences and forces that retain employees within a company (Mitchell et al., 2001). In the context of employees with strong sustainability values (ESSVs), corporate sustainability efforts may present one influence that holds an employee in the organization. Indeed, Lee et al. (2023) studied the impact of a company's environmental, societal, and governance (ESG) pursuits on employee retention across different generations and used job embeddedness to argue in favor of this relationship. They stated that employees enjoy working and will continue to do so for companies with the same values and that ESG considerations can be part of this value congruence (Holtom & O'Neill, 2004; Lee et al., 2023). However, previous research did not elaborate further on this relationship and did not complement job embeddedness with sustainability aspects beyond ESG value congruence. Thus, this theory is not sufficient to explain influences belonging to the sustainability dimension of retention holistically.

Furthermore, psychological contract theory, defined as "an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement" (Rousseau, 1989, p. 123) between

two parties, helps to provide a first overview of the organizational obligations perceived by sustainability-driven employees. Applying the theory to this research, explaining which organizational factors match the beliefs included in the psychological contract of ESSVs may be helpful. By unveiling these factors, companies can act on them, prevent a contract breach, and thus facilitate employee retention. Several empirical studies have shown that employees start to value and expect sustainable behavior from their employers (e.g., Deloitte, 2023; Polman, 2023). In this context, the psychological contract theory has been extended beyond economic and relational obligations by adding the organizational responsibility perceived by employees to pursue a higher purpose, like striving for sustainability (Dixon-Fowler et al., 2020; Thompson & Bunderson, 2003). Both studies (Dixon-Fowler et al., 2020; Thompson & Bunderson, 2003) acknowledged the existence of ideology-infused and sustainability-related organizational obligations, but they did not mention which obligations exactly are entailed in sustainability-related contracts. Thus, also this theory cannot provide a nuanced view of what ESSVs demand for retention in relation to sustainability.

Also other theoretical insights and empirics seek to explicate employee motivation, its implication on employee retention, and the impact of sustainability practices on employee retention, giving a first idea of the retention of sustainability-driven employees (Al-Emadi et al., 2015). Fazal-e-Hasan et al. (2022) found that pursuing green innovation within a company influences an employee's hope, increasing their intention to stay. Another study found that organizational commitment and job satisfaction mediate the relationship between sustainable business practices and turnover intention (Florek-Paszkowska & Hoyos Vallejo, 2023). While these studies have proven a relationship between organizational sustainability efforts and employee retention, they neither shed light on the retention of the distinct group of ESSVs nor show specific organizational factors influencing retention. In addition, existing research by Spanjol et al. (2015) in the realm of environmental values has found that if a company's concern for the environment matches an employee's strong environmental values, this fit can increase job satisfaction, which in turn is known to influence employee retention positively (Nguyen & Duong, 2020). Besides this research, the landscape of the connection between environmental values and employee retention or related concepts is scarce. Another stream of literature explores an adjacent area called pro-environmental attitudes, but this has not yet been set in relationship with employee retention.

To conclude, the literature on retaining sustainability-driven employees is scarce threefold. First, most studies on employee retention treat employees as a homogenous group without distinguishing them based on their strong sustainability values. Second, studies on employees with

sustainability values are rare, and related concepts such as environmental values or a pro-environmental attitude cannot be set equal to sustainability values. Lastly, no existing theoretical framework explicitly incorporates the sustainability dimension in retention. Therefore, this research aims to give a more nuanced picture of the retention of sustainability-driven employees by answering the following research question:

*How do organizational factors influence the retention of employees with strong sustainability values?*

The goal is to develop a theoretical framework that goes beyond what established retention theories can explain, focussing on the sustainability dimension in retention to match the growing importance of sustainability among employees. The model should illustrate which and how organizational factors influence the retention of ESSVs. To achieve this, the research relies on the methodology for grounded theory development as proposed by Gioia et al. (2013).

This paper will begin with a brief literature review, introducing employee retention, job embeddedness, and psychological contract theory. It will explain how each is connected to sustainability, developing the research gap by outlining the limitations in regard to the retention of ESSVs. After that, the methodology part focuses on the interview partners, data collection, and analysis using an inductive qualitative approach, according to Gioia et al. (2013). The section is followed by the main findings, the description of the emerging grounded theory model, and the discussion, including limitations and theoretical and practical contributions. The research finishes with the conclusion.

## 2 Literature Review

### 2.1 Sustainability-Related Employee Retention

With the notion that human resources (HR) are among the most valuable assets of a company and contribute significantly to organizational success, HR departments and scholars have started to emphasize the role and relevance of employee retention (Azeez, 2017; Kumar, 2022; Rodrigues da Costa & Maria Correia Loureiro, 2019). Employee retention is described as "encouraging employees to remain in the organization for a long period of time" (Das & Baruah, 2013, p. 8). It comprises those corporate practices and policies that aim to hold employees within the organization (Azeez, 2017). It is considered a critical task and priority of HR management specialists, potentially contributing to the company's competitive advantage (Albrecht et al., 2015; Herman, 2005).

Research around employee retention is abundant, and many scholars have attempted to list the most relevant categories and dimensions of retention strategies (Das & Baruah, 2013; Singh, 2019). In their literature review, Das and Baruah (2013) identified compensation, reward and recognition, promotion and opportunity for growth, participation in decision-making, work-life balance, work environment, training and development, leadership, and job security. Another study by Zaharee et al. (2018) explored millennial retention strategies and mentioned salary and benefits, professional development opportunities, purposeful work, flexible work arrangements, and organizational ethos in this context.

While the studies above focused on general retention strategies, existing literature has already acknowledged the increasingly relevant role that sustainability and related concepts play in employee retention (Bode et al., 2015; Singh, 2019). Among researchers, there is general consent that corporate sustainability engagement benefits employee retention and turnover reduction. For example, Lee et al. (2023) explored the impact of employees' ESG perceptions on their intention to remain in the company. They revealed that environmental and societal efforts motivate employees to stay in the organization. Other studies examined the positive relationship between corporate social responsibility (CSR) and employee retention. While CSR is related to corporate sustainability efforts, they are not the same: Sánchez-Teba et al. (2021) found that both terms describe very similar and converging concepts that are gaining relevance but are not equal. They argued that CSR is an interim stage towards attaining sustainability as the final goal. Therefore, research conducted in the realm of CSR cannot be entirely translated to sustainability, but it provides some proof for the positive relationship. Virador and Chen (2023) explored the relationship between CSR strategy and employees' turnover intention, revealing that CSR efforts perceived as low lead to higher turnover intentions. Further, Lee and Chen (2018) studied the impact of CSR initiatives on employee retention intention. They found that the perceived CSR initiatives increase employee satisfaction and, thus, retention intention. The positive relationship between CSR and employee retention is often rooted in the social identity theory (Lee & Chen, 2018). This theory suggests that people assign themselves and others to different categories based on specific characteristics, leading to a sense of a joint identity (Tajfel & Turner, 1985). Since working in a company engaging in CSR is desirable, employees often see themselves drawn to this sort of employer and seek identification with them (Ashforth & Mael, 1989; Dutton et al., 1994; Riordan et al., 1997). Working for such a company then causes a feeling of pride or self-esteem and strengthens the employee's feeling of belonging to the company, thus raising the inclination to stay with the organization (Aguilera et al., 2007; Ashforth & Mael, 1989). This shows that employees value the CSR efforts of the company.

Moreover, research has proven that a sustainable image of the company positively influences organizational attractiveness and, thus, the employee's choice in favor of that respective company (Albinger & Freeman, 2000; App et al., 2012). Especially the emerging working generations, i.e., Generation Y (individuals born between 1982 and 1999) and Generation Z (those born between 2000 and 2012) care about CSR and a company's environmental footprint, making it relevant for their employer choice (Climek et al., 2024; Gabrielova & Buchko, 2021; Mahmoud et al., 2020). Since Generation Z is only beginning to enter the workforce, it is highly likely that the role of sustainability in employee retention will increase in the next years.

The various studies connecting CSR or corporate sustainability and employee retention provide evidence for the positive relationship between the two. However, there are three central limitations to it. First, as mentioned above, CSR research is not equivalent to research in the sustainability field. Secondly, the existing research conducted at the intersection of employee retention and sustainability usually considers employees as a homogenous whole without differentiating the strength or intensity of their sustainability values. Lastly, respective studies cherish the positive influence of sustainability on employee retention but treat it as a "nice to have" instead of a core aspect in retention of growing importance demanded by ESSVs. These studies consider sustainability in employee retention from the perspective of "average" employees, although ESSVs are likely to have much stronger demands. Hence, the existing research does not sufficiently explain the extra mile of corporate sustainability that ESSVs require as part of their retention as opposed to other employees. This gap is further reflected in prevalent theoretical models, which do not explicitly account for the sustainability dimension in retention. This is crucial, considering the growing relevance of sustainability as a factor of employee retention, especially among younger generations with a strong sustainability focus.

## 2.2 Existing Concepts

Overall, the landscape of theories explaining employee retention is abundant. Many theories explain what ties employees to an organization and what makes them leave, among them e.g., social exchange theory, resource-based view, etc. (for a comprehensive overview, see Al-Emadi et al., 2015; Ngo-Henha, 2018). These theories have not yet sought to explain the sustainability-related dimension of retention, although some of them are promising in helping to understand it. Two candidate theories are the job embeddedness theory and the psychological contract theory. Before delving into these theories though, it is worthwhile to look at the attribute which makes the employees showcased in this research unique – their strong sustainability values.

### 2.2.1 Sustainability Values

Sustainability values are precedented as environmental values, defined as "the overall importance the employee attaches to preserving nature" (Graves & Sarkis, 2018, p. 577). However, this definition is limited to the environmental aspect of sustainability, ignoring the importance of the social component in sustainability, which is included in the understanding of sustainability in this research. Therefore, sustainability values cannot be set entirely equal to environmental values yet provide a suitable intersection with existing research. As already mentioned in the introduction, besides the research by Spanjol et al. (2015) in the area of environmental values and their relationship with employee retention, little is known about the connection. A related research area explores pro-environmental attitudes. Values and attitudes differ in that values are broader, and attitudes are narrow, i.e., attitudes are held toward a specific subject (Dietz et al., 2005; Soyez et al., 2009). Thus, a pro-environmental attitude refers to an individual's consideration of environmental protection, containing more specific views such as that nature requires a balance or that the planet only provides a limited amount of resources (Dunlap et al., 2000; Tian et al., 2020). Despite differences, sustainability values and a pro-environmental attitude point in the same direction, so literature at the intersection of pro-environmental attitudes and employee retention could help find antecedents to build on for this research. Most research on employees' pro-environmental attitude looks at its relationship with pro-environmental behavior though and not at the retention of employees with a pro-environmental attitude (e.g., Bissing-Olson et al., 2013; Tian, Zhang, et al., 2020). Consequently, the scarcity of literature on employees with environmental values or a pro-environmental attitude and their retention leads to a gap in research that focuses explicitly on the sustainability dimension of their retention, corresponding with their values. This underlines the necessity for further research in that area. Unlike previous studies, which treat employees as a homogenous group, this research seeks to distinguish employees based on their strong sustainability values and explore suitable organizational factors that respond to the sustainability dimension of their retention.

### 2.2.2 Job Embeddedness Theory

.Job embeddedness theory uses the construct of job embeddedness to predict employees' turnover intentions (Mitchell et al., 2001). Several reasons make it suitable for exploring the uncharted area of the sustainability dimension in the retention of sustainability-driven employees and corresponding organizational factors. Firstly, job embeddedness was created as a "predictor of voluntary turnover" (Xue et al., 2023, p. 999), which makes it a relevant concept to link organizational sustainable efforts and employee retention (Mitchell et al., 2001). Secondly, job

embeddedness is a broad construct that includes various organizational and community influences, tying an employee to a company (Lee et al., 2014; Mitchell et al., 2001). It is assumed that retention of ESSVs goes beyond retaining the average employee presumed in the literature. Therefore, job embeddedness as a broad construct may also capture additional sustainability-related organizational factors that hold an employee in the organization. Lastly, job embeddedness is an established research variable in the employee retention literature (Lee et al., 2014). It is often used as a mediating or moderating variable, e.g., as a mediator between work-life balance and the intention to stay or as a moderator in the negative relationship between job satisfaction and turnover intention, making it a candidate theory to explore the phenomenon to be researched (Fasbender et al., 2019; Sudibjo & Suwarli, 2020).

Job embeddedness is often explained using the metaphor of a web where individuals get stuck (Mitchell et al., 2001). The higher an employee's job embeddedness, the lower is their intention to leave the company. The concept is determined by the dimensions of links, fit, and sacrifice (Mitchell & Lee, 2001), as shown in Figure 1 below.
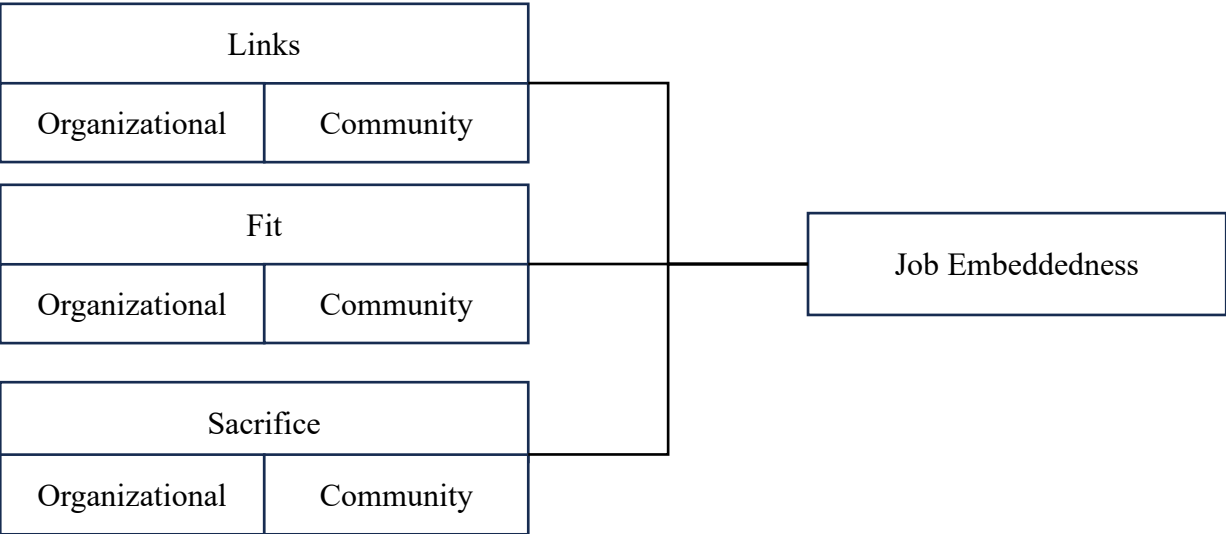


**Fig. 1:** *The Concept of Job Embeddedness*
Source: Adapted from Mitchell et al. (2001)

The dimension of links refers to an individual's connections to other people and organizations, for example, close relationships with colleagues and family (Ghosh & Gurunathan, 2015; Mitchell et al., 2001). Relationships with colleagues and non-work-related connections such as the community and even financial links create a network of threads that bind an employee to the organization (Mitchell et al., 2001). The second dimension of fit is defined as "an individual's compatibility with their work and non-work settings" (Mitchell & Lee, 2001, p. 218). Among the critical elements that need to align are personal and corporate values, expected

personal development with the corporate culture, and the preference of location with the company's location (Ghosh & Gurunathan, 2015; Mitchell et al., 2001). Sacrifice, the last dimension, refers to the perceived tangible and intangible costs associated with relinquishing the job (Mitchell et al., 2001). Losses related to the organization comprise salary, colleagues, and stock options. Non-organizational losses include giving up the preferred neighborhood in case of relocation and the sense of belonging (Ghosh & Gurunathan, 2015). As the dimensions above and Figure 1 indicate, there is always one on-the-job (organizational) and one off-the-job (community) side to each dimension to capture an individual's holistic environment (Mitchell et al., 2001).

The rationale behind these categories is that the higher the link, fit, or sacrifice are, the less likely employees are to leave the company. Since they are pretty exhaustive and capture a wide array of factors that increase job embeddedness, it can be easily assumed that they may also include sustainability factors. However, job embeddedness has not yet been applied to the retention of ESSVs, or more precisely to the sustainability-related dimension of their retention which is why this theory alone is not suitable to explain it. A starting point for the connection between job embeddedness and sustainability has been made by Lee et al. (2023). In their research, they have explored the influence of ESG on employee retention. They use job embeddedness to explain how a company's engagement in ESG fosters value congruence between employer and employee, implying that sustainability-related value alignment between employer and employee drives retention. However, looking at the description of job embeddedness above, it becomes clear that value congruence is only incorporated in the fit dimension. Thus, they have focussed on only one aspect that promotes sustainability-related job embeddedness and not on a broader, more holistic scale. ESSVs may require more sustainability-related organizational factors than only value congruence, so more would need to be added to achieve full sustainability-related job embeddedness, which no prior research has done so far. Hence, job embeddedness may be a candidate theory for understanding the sustainability dimension of retention and how to implement it, but the current research status does not allow it yet.

### 2.2.3 Psychological Contract Theory

Psychological contracts are defined as "an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement" (Rousseau, 1989, p. 123) between two parties. The parties, in the organizational context employee and employer, believe that a certain promise has been made and compensation or exchange is required (Robinson & Rousseau, 1994). Overall, the theory can help to understand retention and turnover since a perceived contract breach or violation from the employer side might result in a damaged relationship, betrayal of trust, and

turnover intention (Robinson & Rousseau, 1994; Rousseau, 1989). Turning this logic around, mutual fulfillment of the perceived obligations fosters employee retention. Focussing more on the sustainability dimension of retention, the theory has been extended by ideology-infused psychological contracts (IPCs). This contract type emphasizes the exchange of an ideological currency, which Thompson and Bunderson (2003, p. 574) defined as "credible commitments to pursue a valued cause or principle (not limited to self-interest) that are implicitly exchanged at the nexus of the individual organization relationship". Dixon-Fowler et al. (2020) added sustainability as a possible cause, saying that employees with strong internalized sustainability values are likely to perceive the corporate pursuit of sustainability as an obligation. This gives the impression that psychological contract theory can help to shed light on the sustainability-related perceived obligations of ESSVs and how companies can meet their demands for successful retention.

Overall, psychological contracts are subjective, and although the obligations constituting the contract are mutual, the parties might have different perceptions of the contract's content (Robinson & Rousseau, 1994). Comparable to contracts in written form, psychological contracts can be violated or broken if one party perceives that the other one has not stood up to their obligations (Robinson & Rousseau, 1994). At this point, it is interesting to note that the understanding of which of the parties holds a psychological contract is not as clear. Authors acknowledge the psychological contract to be "mutual obligations" (Robinson & Rousseau, 1994, p. 246), indicating that both parties, employees and employers, acknowledge certain duties. However, Rousseau (1989) emphasized that psychological contracts are only inherent to employees since an organization is a social construct and, as such, cannot perceive any obligations. She added in a later work that "[…] when individual employees believe they are obligated to behave or perform in a certain way and also believe that the employer has certain obligations toward them, these individuals hold a psychological contract" (Rousseau, 1990, p. 390). Following this argumentation, the obligations are considered mutual in that employees believe them to be (Cullinane & Dundon, 2006). Despite the focus on employer obligations, employees also have certain obligations. Firstly, one part of the previous quote, "individual employees believe they are obligated to behave or perform in a certain way" (Rousseau, 1990, p. 390), shows that they have a perception of what they owe to the organization on their own. Secondly, Rousseau (1989) acknowledged that certain managers or leaders as perceiving humans and representatives of the organization may hold a psychological contract with the employees. To conclude this discussion, for the remainder of this work, psychological contracts will be treated as an employee-centric construct that comprises their perceived obligations towards obligations, yet

acknowledging that employees also have to play their part. Consequently, this research will take an employee's perspective and focus mainly on the organizational factors fulfilling a psychological contract through the lens of an employee with strong sustainability values.

Traditionally, the content of a psychological contract moves on a continuum, with transactional contracts on one end and relational contracts on the other (Rousseau & McLean Parks, 1993). Transactional contracts entail the exchange of an economic currency – the term currency referring to the content of the perceived obligations – (e.g., working hours for financial remuneration) and relate to a short-term, monetarily incentivized dimension (Rousseau & McLean Parks, 1993; Thompson & Bunderson, 2003). Relational contracts on the opposite trade with a socio-emotional currency (e.g., mutual loyalty), including more non-economic and intangible aspects (Rousseau, 1990; Rousseau & McLean Parks, 1993). In recent years, however, the continuum of these contract types has been extended by Thompson and Bunderson (2003), who pioneered IPCs as mentioned above. In their opinion, existing literature has not sufficiently covered employment relationships based on ideology, and, therefore, they introduced ideology-infused contracts. They state that employees perceive organizational engagement and commitment to a purpose as the primary obligation inherent in IPCs. To support this commitment, the organization should grant opportunities for employee contribution to this cause and allocate financial and non-financial resources. In return, employees are expected to support the cause, act accordingly, and even show discretionary behavior to back the organization in its efforts to pursue the cause (Thompson & Bunderson, 2003). Although this description of mutual obligations allows a first idea of ways to fulfill them, it is impossible to settle on one solution since the perception of the obligations is highly subjective. Comparable to relational contracts mentioned in the previous paragraph, IPCs comprise an intangible dimension and are very broad in scope, as every employee has a different idea of how a company should pursue a cause (Thompson & Bunderson, 2003). Therefore, there are many ways for an organization to meet its employees' expectations. While fulfilling obligations is a rather vague field, Thompson and Bunderson (2003) have found that IPCs also contain certain "red flags" perceived as contract breaches right away, adding to the organization's challenge to manage and fulfill their obligations.

In their paper, Thompson and Bunderson (2003) added further that the cause or purpose the company is pursuing can be any, as grand or inconspicuous as it might be. In the context of this research, pursuing a sustainability-related cause is of particular interest, which is precisely what Dixon-Fowler et al. (2020) studied in their research paper, linking IPCs to sustainability. They argued that IPCs can help to bridge an individual's sustainability goals with corporate goals and, thus, connect both parties. Ideally, the cause the organization claims to pursue should be

directly linked and aligned with the company's mission and strategy, meaning that in terms of a sustainability-related cause, it should be reflected in its mission and strategy. Otherwise, this incongruence may induce doubts in employees about the company's credibility and genuineness and hinder them from engaging in ideological currency exchange (Dixon-Fowler et al., 2020).

Albeit the direct connection between psychological contracts and sustainability, psychological contract theory is not suitable to explain the sustainability dimension in the retention of ESSVs holistically due to two main reasons. First, the extension of the theory with IPCs and complementing it with sustainability as a cause confirm that there is indeed a sustainability-related dimension in what ESSVs demand. However, the description of the demand included in the perceived obligations is limited to a rather superficial "organization's sustainability efforts" and "sustainability strategies" (Dixon-Fowler et al., 2020, p. 5; 7). Thus, the current research status of the theory does not allow a clear idea of the exact sustainability-related obligations that employees perceive and how organizational factors could meet them. Secondly, Thompson and Bunderson (2003) stated that employees might behave differently in response to an IPC violation than to a transactional or relational contract violation. While a transactional or relational contract breach often leads to the employee leaving the organization, an IPC breach is more likely to result in an employee's organizational objection and the employee's attempt to correct the situation he or she disagrees with. This line of argument contradicts the idea that a sustainability dimension is required for the successful retention of ESSVs, opposing the narrative in this research. Therefore, psychological contract theory and its extension to sustainability-related IPCs can inform the research on a sustainability dimension in retention but is not sufficient in that it does not explain how organizational factors translate to it and in the lack of acknowledgment of sustainability as a successful retention factor.

## 2.3   Research Gap

The previous chapters have already outlined why job embeddedness and psychological contract theory are not sufficient to explain the sustainability dimension in the retention of ESSVs. To recall the research gap from the previous chapters, job embeddedness theory has been identified as a nuanced and broad concept that could potentially also capture factors influencing the sustainability dimension of retention. However, beyond ESG value congruence, job embeddedness has not been extended with sustainability-related aspects so far and, therefore, does not explain the sustainability dimension in retention special to ESSVs. Further, psychological contract theory has been complemented with IPCs, and a sustainability-related cause entailed in the contract. Nonetheless, the current extension of the theory merely emphasizes the existence of a

sustainability dimension in IPCs without giving an outline of potential obligations employees might perceive and without connecting it to employee retention, making it insufficient for this research. Hence, the insufficiency of job embeddedness and psychological contract theory to explain the sustainability dimension in the retention of ESSVs indicates that another theoretical framework is required.

Furthermore, sustainability values themselves have not been sufficiently researched yet. Related concepts like environmental values or a pro-environmental attitude cannot be used equivalently to sustainability values and have also not been connected to employee retention.

These gaps around how ESSVs are retained sustainability-wise, complemented with the growing importance of sustainability for employees, especially with younger people entering the job market, call for theory development using grounded theory. Existing theories alone are insufficient in explaining, so an extended framework must be developed. Therefore, this research aims to develop a model that explains the sustainability dimension of the retention of ESSVs and outlines which organizational factors are part of that and how they affect the sustainability dimension.

# 3 Methodology

## 3.1 Research Design

This research follows a methodology based on grounded theory, i.e., the attempt of qualitative researchers to extract a theoretical concept from data, including various rounds of data coding and continuous and iterative comparison of codes and themes (Glaser & Strauss, 1967; O'Reilly et al., 2012). A qualitative inductive approach was chosen since qualitative research studies more complex, multidimensional phenomena whose examination requires words over numbers (Busetto et al., 2020). An inductive approach is well-suited for research questions that cannot be explained through existing theories and, therefore, require the development of a novel theoretical framework (Bendassolli, 2013). The inductive and qualitative approach benefits the open-ended research question of how organizational factors influence the retention of ESSVs and leaves room for the "how". Due to the research gap identified, this research studies an unknown area and requires an explorative view. Therefore, considering the research question from a quantitative perspective would not have worked since the required variables have not been identified yet. This research seeks to develop a theoretical framework with possible touchpoints with existing theories to answer the research question rather than purely testing established ones. To do so, scholars have developed a methodology for inductive, grounded theory-building research that enables thoroughness and high standards through a two-level analysis

approach, which was applied to this research (Gioia, 2021; Gioia et al., 2013). As a foundation for that, semi-structured interviews with 15 people who identified as individuals with strong sustainability values were conducted to collect rich text data, selected through a purposeful sampling strategy. The interviews were designed to capture in-depth insights into participants' experiences and motives, ensuring a holistic understanding of the sustainability dimension in retention. After transcribing the interviews, this process led to 140 pages of text data, which were then coded and categorized using software for qualitative data analysis. The goal after finalizing all coding rounds was to create a grounded theory model emerging from the data, which sheds light on the phenomenon depicted in the research question.

## 3.2 Interview Partners

According to Robinson (2014), sampling data consists of four steps, i.e., identifying a sample universe and inclusion criteria, determining the sample size, selecting a sampling strategy, and mobilizing the participants. Since this research focuses on ESSVs, it was crucial to reflect both attributes, i.e., being employed and possessing strong sustainability values, in the inclusion criteria. Therefore, the following two inclusion criteria were applied. First, participants should identify as someone with a strong sustainability drive and value sustainability in their personal and professional lives. Secondly, they needed to be currently employed or should have been employed at least once in a position relevant to this research. Subsequently, due to ethical considerations, the study excluded people who had never been employed and people who were not yet of legal age. These criteria ensured that the interviewees delivered valuable insights and also guaranteed that they could contribute meaningfully and feel knowledgeable, creating a positive experience. Regarding the sample size, a size of 15 interviewees was determined, a number that balanced the necessity for a sample large enough to ensure diversity in perspectives while still being manageable for in-depth analysis and structured data management.

Having clarified inclusion criteria and sample size, the next crucial question was how to select appropriate interview candidates, i.e., the sampling strategy (Robinson, 2014). Since the interviewees were expected to possess a particular set of values, they were selected "strategically and purposefully", following the notion of Patton's (2002, p. 243) purposeful sampling. This ensured that the interviewees would have the required knowledge and experience to provide data valuable for answering the research question, which focuses specifically on individuals with strong sustainability knowledge (Teddlie & Yu, 2007).

The last step of the sampling process, i.e., finding suitable individuals and winning them over for participation, involved drawing on personal connections and actively searching for people

in an online career network. The purposeful sampling strategy was implemented through a call for help in an online career network (see Appendix I for a screenshot), addressing people with a strong sustainability drive who value sustainability in their personal and professional lives. Although the purposive sampling strategy helped preselect suitable candidates, a brief conversation before scheduling interviewees ensured that the people willing to participate met the inclusion criteria. Fortunately, most interviewees found the research exciting and were intrinsically motivated to participate, so no further incentives were required.

**Table 1**

*Overview of Interview Participants*

| Interviewee Number | Gender | Age | Country of Birth | Industry | Position |
|---|---|---|---|---|---|
| 1 | Male | 30-39 | Germany | Consulting Industry | Manager |
| 2 | Female | 20-29 | Germany | Consulting Industry | Intern |
| 3 | Male | 30-39 | England | Consulting Industry | Consultant |
| 4 | Female | 20-29 | Germany | Higher Education Sector | Teaching Assistant |
| 5 | Female | 50-59 | Germany | IT Services | Director |
| 6 | Male | 20-29 | Germany | Food Startup | Chief Financial Officer |
| 7 | Female | 30-39 | Germany | Pharmaceutical Industry | Inhouse Consultant |
| 8 | Female | 20-29 | Poland | Medical Device Manufacturing | Working Student in Procurement |
| 9 | Male | 40-49 | Germany | Technology Industry | Product Owner |
| 10 | Female | 20-29 | Poland | Environmental Assessment Firm | Sustainability Analyst |
| 11 | Male | 30-39 | Germany | Technology Industry | Manufacturing Consultant |
| 12 | Male | 30-39 | Germany | Technology Industry | Energy Manager |
| 13 | Male | 40-49 | China | Technology Industry | Quality Management Department Leader |
| 14 | Female | 30-39 | Germany | Technology Industry | Communication Manager |
| 15 | Male | 30-39 | Germany | Energy Industry | Renewable Energy Expert |

The interviewees represented diverse industries, different age groups, and genders to get a broad range of perspectives. The table above lists all interviewees and their most essential characteristics. The age span ranged from people in their mid-20s in more junior or entry-level positions to people in their 50s already in upper management positions. In terms of industries, the interviewees work in strategy consulting firms, an alternative protein startup, in companies from the

pharmaceutical, technology, and IT sectors, as well as an energy agency. The gender distribution was balanced, with seven identifying as female and eight as male. The interviewees were mostly of German origin but also from the UK, Poland, and China to ensure insights from different working environments.

## 3.3 Data Collection

To obtain in-depth insights into the participants' experiences, semi-structured interviews were used, which drew on a predefined list of questions while simultaneously allowing the order of the questions to be altered (Saunders et al., 2019). The predefined questions provided the researcher with clear guidance but also left space to change the order or ask additional questions to gain in-depth insights (Saunders et al., 2019). After reviewing and understanding relevant literature, the interview guideline was designed to pose clear and well-informed questions. The interview questions revolved around their personal motivation to engage in sustainability, the choice of their current and former employers, their work environment, and the intersection of employee retention and sustainability. The complete interview guideline can be found in Appendix II.

After settling on the interview questions and agreeing on interview dates, the interviews were conducted in German or English, depending on the interviewee's preference, and lasted between 35 and 50 minutes each. Due to the interviewees' geographical dispersion, they were held via video calls using MS Teams and took place within three weeks. With the interviewees' consent, the interviews were recorded for later analysis. Throughout the whole conversation, the central premise was that the interviewees felt comfortable and had the opportunity to skip a question or opt-out anytime since some of the questions were personal and aimed at the interviewee's honest opinion about their employer's sustainability engagement. The interviewing process resulted in 140 pages of interviews.

Due to the criticality of the topic and the questions, all interviewees were assured anonymity and that none of their own personal data or company names would be mentioned in any form. With their approval, this research will use quotes from the interviews but anonymize or paraphrase the company name where applicable.

## 3.4 Data Analysis

The data analysis started with transcribing all interviews and ensuring that no personal information would be included. NVivo, a computer-assisted qualitative data analysis software, facilitated the transcription and coding. This software allows the organization and analysis of text data to retrieve structured and reliable research results (Alfasoft GmbH, n.d.). The data was

then analyzed using a two-step, in-depth grounded analysis proposed by Gioia et al. (2013). Inductive research is often blamed for a lack of academic rigor since the development of insights and theories relies solely on the researcher's ability to interpret the data (Gioia et al., 2013). The applied methodology counteracts this issue through a sophisticated two-level analysis. The goal is the creation of an emerging model illustrating how the different codes and categories created throughout the analysis process relate to each other.
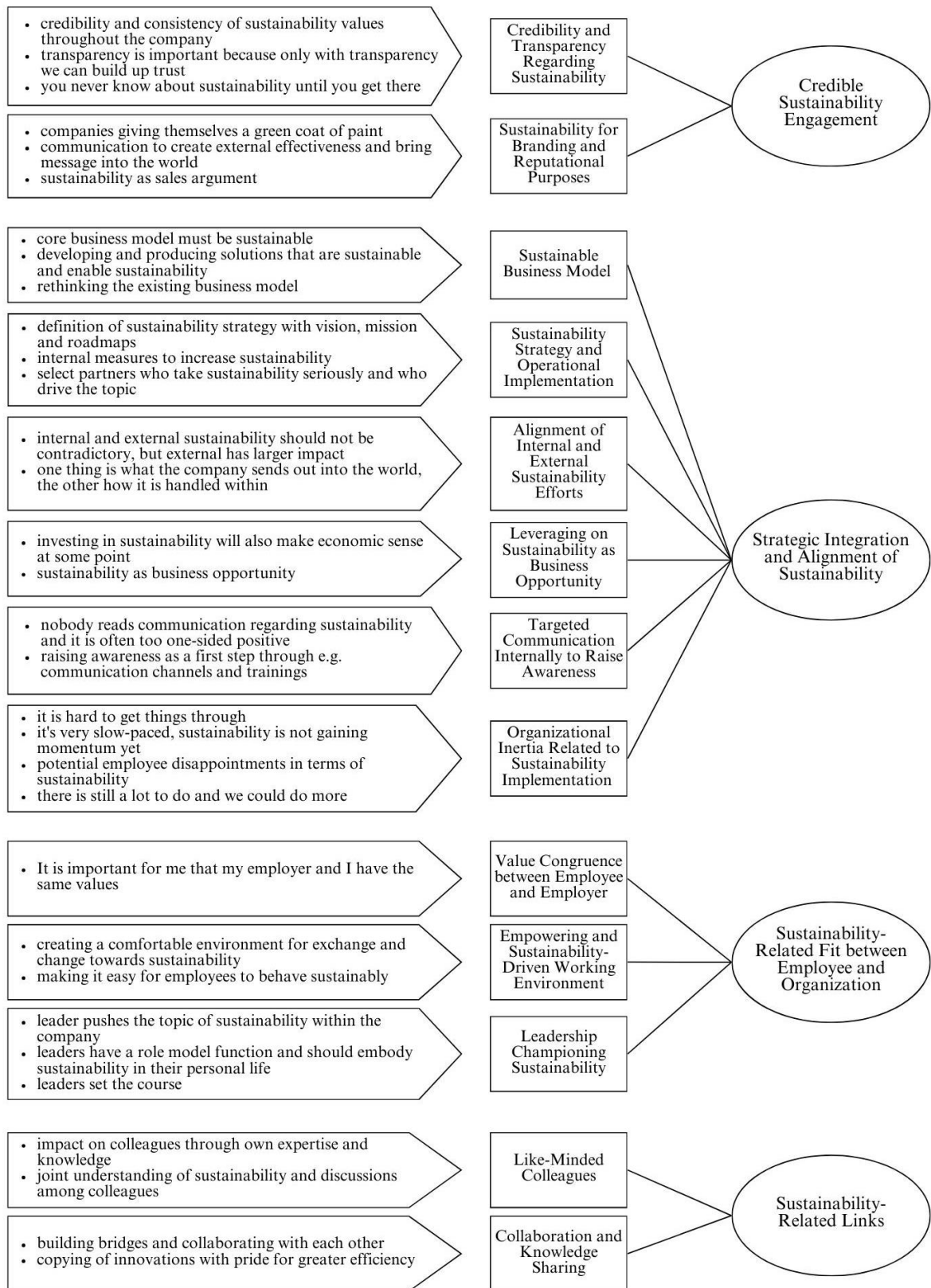
The coding process started with a first inductive round, coding all interview data related to the intersection of employee retention and sustainability, the interviewees' expectations regarding corporate sustainability, and the broader topic of sustainability. This first round stayed very close to the informant terms, attempting to use as much of their terminology as possible. The sentence "The company is very reluctant in real life to take extra costly steps and to improve it", for example, received the label *company is reluctant to take extra costly steps*. Adhering closely to what the interviewees said in the first round ensured their perspective was in the spotlight without infusing the researcher's interpretation. While coding the first round, some answers were already assigned to existing labels if what interviewees said was very similar. For example, one interviewee said, "But I can also imagine working in a small start-up that wants to launch a new sustainable product. The business model would have to be geared towards sustainability." Another one used similar words, "For me, in the corporate context, it means above all that the business model is geared towards sustainability." Although different interviewees, both answers were coded as *importance of sustainable business model*. This initial coding round allowed the researcher to become familiar with the interview data but also resulted in approx. 400 codes, what Gioia (2021, p. 24) refers to as an "overwhelming number of informant terms". However, according to him, it is necessary to get lost in the data in the beginning and immerse oneself, and then after that, one will slowly begin to see similarities among this large number of codes (Gioia et al., 2013). After a lengthy process of combining, separating, and rearranging codes, comparable to the notion of axial coding coined by Strauss and Corbin (1998), the initial codes were reduced to a more manageable number of approx. 70 codes. These were still named closely to the words used by the informants and represented the first-order codes for the data structure.

Once the first-order codes were finalized, the second coding round was initiated. This round included comparing and contrasting the findings from the first round with relevant existing literature, particularly on job embeddedness theory (Mitchell et al., 2001) and psychological contract theory (Rousseau, 1989). It was essential to not only consider informant terms but to include this more theoretical dimension, also reflecting on existing concepts and drawing on

the researcher's knowledge, which had remained in the background so far. Some of these theory-infused labels were influenced by job embeddedness theory, e.g. *value congruence between employee and employer* (referring to the fit dimension) and *like-minded colleagues* (referring to the link dimension). Psychological contract theory, on the other hand, guided the labeling of, e.g., *organizational obligations perceived by employees* and *internalized sustainability-related values of employees*. Several other themes had no influence by existing literature, which confirms justification for the grounded theory approach. For example, *sustainability strategy and its operational implementation* and *credibility and transparency regarding sustainability* were not connected with existing theories but developed inductively from the data. Similarities in names or labels with existing literature are coincidental and not intentional. Overall, this round revealed 23 second-order themes.

After the second step, the second-order themes were refined into what Gioia et al. (2013, p. 20) call "aggregated dimensions", yielding eight overarching themes in total. This step also included iterating back and forth between the interview data and prevalent literature, so job embeddedness and psychological contract theory can be found in the dimension labels. Influenced by job embeddedness, three second-order themes were summarized under *sustainability-related fit between employee and organization* and two under *sustainability-related links*. *Requirements for fulfillment of the sustainability-related psychological contract* was – unsurprisingly – labeled after the psychological contract theory. The other aggregated dimensions, i.e*., credible sustainability engagement, strategic integration and alignment of sustainability, the societal and institutional context*, and *tolerance for sustainability-related personal and corporate realities,* were not based on existing theories. Taken together, they give a first idea of an answer to the research question, showing which organizational factors stimulate the sustainability dimension of retention, influencing the retention of ESSVs. Not all dimensions are directly connected to the research question but relate to the larger context in which the research is settled.

Ultimately, the final results of the first-order codes, the second-order themes, and the aggregated dimensions were consolidated in a data structure, offering an idea of the relationships between the codes, themes, and dimensions (Gioia et al., 2013). As shown in Figure 2, the data structure illustrates how the extensive interview data has been transformed into comprehensive aggregated dimensions comprising both the interviewee and theoretical perspectives.
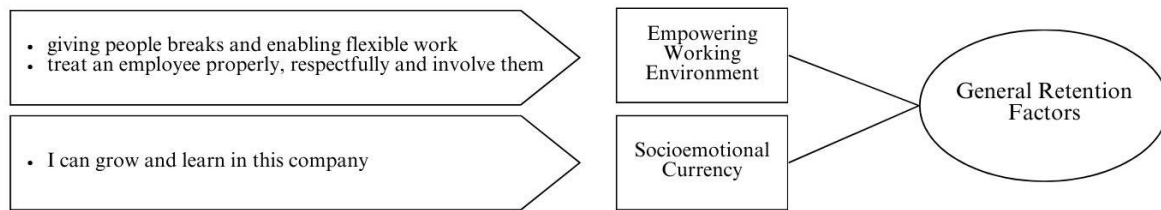
- credibility and consistency of sustainability values throughout the company
- transparency is important because only with transparency we can build up trust
- you never know about sustainability until you get there

Credibility and Transparency Regarding Sustainability

- companies giving themselves a green coat of paint
- communication to create external effectiveness and bring message into the world
- sustainability as sales argument

Sustainability for Branding and Reputational Purposes

Credible Sustainability Engagement

- core business model must be sustainable
- developing and producing solutions that are sustainable and enable sustainability
- rethinking the existing business model

Sustainable Business Model

- definition of sustainability strategy with vision, mission and roadmaps
- internal measures to increase sustainability
- select partners who take sustainability seriously and who drive the topic

Sustainability Strategy and Operational Implementation

- internal and external sustainability should not be contradictory, but external has larger impact
- one thing is what the company sends out into the world, the other how it is handled within

Alignment of Internal and External Sustainability Efforts

- investing in sustainability will also make economic sense at some point
- sustainability as business opportunity

Leveraging on Sustainability as Business Opportunity

- nobody reads communication regarding sustainability and it is often too one-sided positive
- raising awareness as a first step through e.g. communication channels and trainings

Targeted Communication Internally to Raise Awareness

- it is hard to get things through
- it's very slow-paced, sustainability is not gaining momentum yet
- potential employee disappointments in terms of sustainability
- there is still a lot to do and we could do more

Organizational Inertia Related to Sustainability Implementation

Strategic Integration and Alignment of Sustainability

- It is important for me that my employer and I have the same values

Value Congruence between Employee and Employer

- creating a comfortable environment for exchange and change towards sustainability
- making it easy for employees to behave sustainably

Empowering and Sustainability-Driven Working Environment

- leader pushes the topic of sustainability within the company
- leaders have a role model function and should embody sustainability in their personal life
- leaders set the course

Leadership Championing Sustainability

Sustainability-Related Fit between Employee and Organization

- impact on colleagues through own expertise and knowledge
- joint understanding of sustainability and discussions among colleagues

Like-Minded Colleagues

- building bridges and collaborating with each other
- copying of innovations with pride for greater efficiency

Collaboration and Knowledge Sharing

Sustainability-Related Links

- employees meet in self-organized, voluntary sustainability networks
- I'm keen to try and push more sustainable thinking in all of them to steer this a little
- many colleagues joined us because of the possibility to work on sustainability topics
- personal motivation and responsibility to mitigate the bad that is happening
- purpose or higher goal beyond making profit
- sustainability is premise when choosing a job
- sustainability to give a good environment to future generations
- there is a personal, more emotional level
- people are not willing to spend large part of time on something unsustainable

**Internalized Sustainability-Related Values of Employees**

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- I would not work in an industry whose products contribute significantly to the climate crisis
- if I knew that the production or service causes enormous environmental damage, I would not be able to work for them

**Non-Negotiables for Employees**

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- employee involvement and open ears for employee ideas
- employees dare to start initiatives and receive space and resources
- giving the flexibility and time to shape own role and work on sustainabilty topics and
- leader providing openness and empowerment
- sacrificing some profit in order to achieve more sustainable goals

**Organizational Obligations Perceived by the Employees**

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- clear commitment to sustainability from top leadership and sustainability-related KPIs
- clear positioning towards sustainability and showing will and way to go there
- companies need to be aware where their main impact lies
- genuine commitment to sustainability with relevant impact
- responsibility as company to make a positive contribution to society and to take a good look at themselves
- some things may not pay off financially, but are simply the right thing to do
- sustainability requires financial and personnel commitment as investment into collective future
- what matters is that it is not only said but also done

**Genuine Commitment to Sustainability**

**Requirements for Fulfillment of Sustainability-Related Psychological Contract**

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- sustainability topic is still in development
- younger generations are much closer to and more critical in terms of sustainability

**Evolving Mindsets and Emerging Trends**

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- change and momentum only comes through pressure, i.e. regulations

**Institutional Pressure**

**Societal and Institutional Context**

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- I would never judge a person who is not working in the most sustainable company
- we need to earn money and it is the same for the company
- ideal, perfect scenario vs. realization how it works in the corporate world
- more idealistic view coming from academia
- many factors determine whether to stay on the job
- leaving due to an accumulation of reasons
- turbocapitalism and selling more feels contradicting to sustainability
- scope of own influence and working on changing the core business model might compensate if values are not fully aligned

**Balancing Ideals and Realities**

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- asking what the company contributes to sustainability holistically and considering in every decision-making process
- sustainability is a very broad topic
- the larger the company, the less you can expect change from one day to the next

**Sustainability as Multi-Dimensional and Complex Concept**

**Tolerance for Sustainability-Related Personal and Corporate Realities**

**Fig. 2:** *Data Structure*
Source: Created by Author

The ultimate goal of the Gioia methodology is, however, not only to compile a static data structure but also to vividly illustrate the interdependencies and relationships between the different themes, categories, and dimensions, creating a grounded theory model (Gioia et al., 2013). This is done in Figure 3 (see p. 22) by developing a model that depicts the connections and interrelationships between the emerging themes using boxes and arrows. The arrows unveil linkages that are not visible by only looking at the data structure and thus create a holistic picture of the connections between theory and data from the interviews.

Since the model (Figure 3) should capture a high-level picture of the matter researched, it was clear that it should only portray the aggregated dimensions and some second-order concepts. Some of the dimension and concept names had to be slightly changed to better fit the model. The overall setup of the model follows the research question, i.e., the aspect to be influenced was the retention of ESSVs, while the aggregated dimensions comprising organizational factors should influence it. Therefore, arrows were drawn between the individual aggregated dimensions and the retention of ESSVs. This led to a preliminary model, but could not reflect the dynamic and complexity found in the data, so several second-order concepts were added to the model, but not all of them, which would have led to a far too chaotic picture. The criteria of which of the second-order concepts would be added were mainly if their presence was necessary to show at which points the model goes beyond what is already known and to add a layer of meaning and complexity. The aggregated dimensions of *sustainability-related fit* and *sustainability-related links*, for example, alone are too close to job embeddedness to justify depiction in a grounded theory model. However, the belonging second-order concepts are novel and go beyond existing theory, which is why these are found in the model. The aggregated dimension of *fulfilling the sustainability-related psychological contract* was supplemented with the second-order concepts of *organizational obligations*, which itself is influenced by *internalized sustainability-related values* and *non-negotiables for employees*. This reflects an important part of the complexity found in the theory-data interplay. Some other particularities found in the data structure were also considered in the model development. The aggregated dimension of *societal and*

*institutional context*, for example, is not directly an organizational factor but an important contextual one, so it was translated into a frame around the model. Further, the dimension of *tolerance for sustainability-related personal and corporate realities* is only connected to retention with a dashed arrow, as it represents more a psychological factor than an organizational one. Lastly, the dimension *general retention factors* is not special to ESSVs, yet equally important and identified in the interviews, so it was included in the model but separated using a dashed line.

While the processes described above appear relatively linear, in practice, they involved going back and forth various times, consolidating and dividing categories again, and adjusting the model many times, consistently reflecting on the relevance to the research question. This non-linearity is inherent to the grounded theory process and occurs due to constant comparison between the codes, categories, and existing literature (Glaser & Strauss, 1967; O'Reilly et al., 2012). The process of data analysis involved unbiased acknowledgment of the codes emerging from the data while at the same time drawing connections to the prevalent theoretical landscape.

# 4 Findings

The data analysis section has already introduced the grounded theory model shown below (Figure 3). It results from 15 in-depth interviews whose outcomes have been set in relationship with existing theory. It seeks to present an answer to the research question, with the retention of employees with strong sustainability values on the right side and several organizational factors influencing it on the left. How these influences and their connection to existing theories emerged from the interviews will be presented in the following, illustrated by a selection of interview quotes. The description of the interview findings follows the structure of Figure 3, facilitated by the use of the small numbers in the model. These help to refer to individual elements and connections and improve the readability throughout the section.
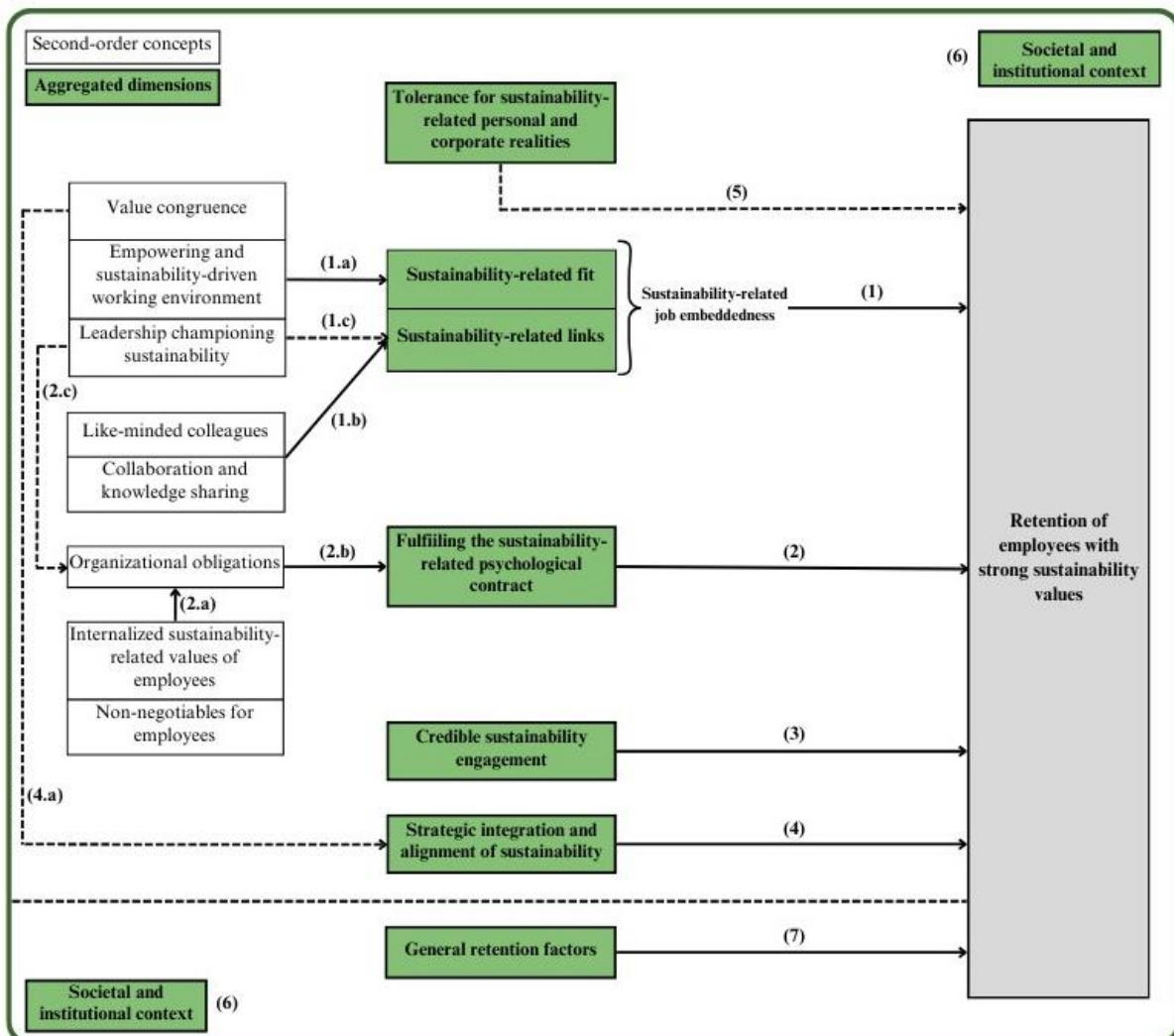


**Fig. 3:** *The Emerging Grounded Theory Model*
Source: Created by Author

## 4.1 Organizational Factors Related to Job Embeddedness

The first factors influencing retention are closely connected to job embeddedness, or more precisely, sustainability-related job embeddedness (1). While sustainability-related job embeddedness itself is not an organizational factor, it comprises *sustainability-related fit between employee and organization* and *sustainability-related links*.

The relevance of sustainability-related job embeddedness stems from the observation that employees need to feel compatible with the employer and as if they blend in. The higher the fit for sustainability aspects, the more likely the employee will remain with the company. The two dimensions of *sustainability-related fit between employee and organization* and *sustainability-related links* themselves have several influencing factors that were revealed in the interviews.

### 4.1.1 Sustainability-Related Fit

*Value Congruence Between Employee and Employer*

Starting with the fit dimension (1.a), a critical factor contributing to it is *value congruence between employee and employer*, i.e., the relationship between the values of both parties. Overall, the data has shown that ESSVs seek employers whose values align with theirs. Value alignment between employees and employers fosters happiness in the workplace and identification with the company, enhancing retention. For example, Interviewee 14 said, "It is important for me to identify with my employer, to know that we have the same values." Interviewee 10, who perceives value alignment with the employer, stated, "I feel very lucky that we have all the sustainability things that are included in this. And I now feel very fortunate that I can do something that aligns with my values."

However, the interviews also revealed that value alignment is not always given. An employee's sustainability values tend to be stronger, as indicated by the quote by Interviewee 3, "Mine [the sustainability values] are more radical, mine are much more… The corporate ones are held back massively by a large C-suite conservatism." In the long term, this misalignment leads to frustration, particularly because values are dynamic, they develop over time and might diverge even further, as shown by Interviewee 1, "I think this is a development for many people. I mean, the topic of sustainability has become more important to many people, but at the same time, they see that perhaps not enough is happening in their company, and that creates frustration, which probably tends to increase over time." Interviewee 7 also shared that her sustainability values have only grown over time:

> Why did I join [the employer] back then? To be honest, I didn't have this clarity back then. I got into the company because I somehow had good A-levels, then I somehow thought that's what you have to do […], but it wasn't the original idea. The original idea was quite far away from that [the job in sustainability].

Employee retention is thus enhanced through value alignment and an increased fit between employees and employer, yet companies need to be aware that sustainability values are dynamic and that a fit today does not guarantee a fit tomorrow.

### *Empowering and Sustainability-Driven Working Environment*

Beyond value congruence, an *empowering and sustainability-driven working environment* is found to increase an employee's fit with the organization (1.a). It means a working environment that allows open dialogue, particularly on sustainability-related topics and enables a culture or atmosphere to foster sustainability and well-being, enhancing the sense of a fit in sustainability aspects. Interviewee 14 talked about sustainability in the company and that it is critical "to build a certain culture within the company". This culture needs to be welcoming and open, also providing space for an employee's vulnerability and overwhelmedness concerning sustainability, as shown by Interviewee 7:

> And so it is, I think, also internally, that you talk a lot about what's great and how great we are, but you don't open up much space for serious dialog, where people can let themselves go and say, 'actually I'm overwhelmed here right now, and somehow this is too complex for me.'

If, as part of this sustainability-driven culture, many like-minded employees come together and are granted the opportunity to converse and exchange, a great and empowering working environment will be fostered, highly appreciated by ESSVs. In this context, Interviewee 10 revealed:

> I think also coming from a sustainability degree, for example, where people also have different backgrounds but similar mindsets in terms of sustainability, I think this creates a very… I don't want to say nice because it's such a basic word, but basically, it creates this amazing atmosphere that allows you to really discover things that you maybe wouldn't think about before.

As a last aspect regarding the working environment, the employees in question expect enabling a sustainable lifestyle, as shown by Interviewee 2, "I expect structures to be created that help me to act sustainably." Much of that also refers to the organization's understanding and respect for employees' sustainable lifestyles. Companies need to create an environment in which sustainability-driven employees can thrive by being granted respect for their lifestyle, as indicated by Interviewee 2, "If I say I don't want to take a cab while I'm traveling, but maybe I have a bike or something, I expect that it's okay that it might take me half an hour longer to get there." Promoting this sort of culture significantly increases the fit dimension among ESSVs.

***Leadership Championing Sustainability***

The data have shown that not only a working environment promoting sustainability increases the perceived fit of ESSVs, but also *leadership championing sustainability* (1.a). Leadership is crucial in the context of sustainability since leaders set the direction of their assigned department. To the question of which role leaders play in the context of sustainability, Interviewee 1 confirmed, "They play a huge one, I would say, because managers are by definition the ones who lead teams and can therefore naturally also act as role models." This means that for ESSVs, leaders need to be sustainability champions, push the topic in the organization bravely, and support sustainable endeavors. Interviewee 11 shared about his leader, "We are lucky that we are with our boss, and he is the one who is now leading the way in pushing the issue of sustainability in the company, so I think there are few people who are more committed to it than our boss," signaling the importance of such a leader. Data has shown that courageous leaders championing sustainability can even become corporate influencers, meaning their sustainable mindset sets an example for the organization. In this context, Interviewee 7 mentioned, "What we have often experienced was that some manager was brave enough to give an impulse. Then the organization followed suit and said, 'Yes, but if we think it through to the end, we should actually go further'". Beyond an example for the organization, ESSVs expect their leaders to become credible role models for their employees and promote sustainability in their private lives ("Maybe it's also not up to me to judge, but I believe that if you work with sustainability, I would like you to at least embody it within your personal life", Interviewee 8). Their sustainability pursuit should not be a mere showcase of their persona but genuinely embodied in their lifestyle. Otherwise, it causes negative feelings in employees. Interviewee 1 shared a vivid example:

> I have an example from my previous employer, which I didn't always like. You'd have partners working on major sustainability projects, and they liked to present themselves as if they were really hardcore decarbonizers. But then these same people would be the ones flying from Düsseldorf to Berlin the next day. Those were the kinds of things I didn't like so much.

To conclude, the interviews have revealed genuine leadership for sustainability to be a great asset in enhancing the fit with the organization and in retaining employees.

### 4.1.2   Sustainability-Related Links

After covering the fit dimension of job embeddedness, the next dimension outlined deals with *sustainability-related links* (1.b). The more pronounced this dimension is, the stronger employees feel embedded in their organization organization, which enhances their retention.

### Like-Minded Colleagues

The most obvious link fostering an individual's attachment to the company is *like-minded colleagues* (1.b). If ESSVs work together, they share the same mindset and spirit, encouraging exchange and a joint purpose. As a topic and value that connects colleagues, sustainability can be a baseline for developing a shared identity that ties the employees to the organization. The quote by Interviewee 15, "We take it for granted that we are all somehow committed to sustainability," highlights the similarity among colleagues. Further, having like-minded colleagues fosters conversations and discussions, enhancing the sense of belonging, as shown by Interviewee 10:

> There's always an ongoing discussion about sustainability issues in terms of what are the new rules that are being implemented by certain governments or certain institutions, but also about the kind of day-to-day choices that we make as customers or as users of social media and so on. So I think, you know, it's a very comfortable but challenging environment in which we can discuss sustainability. I think it's our most common topic of conversation.

The joint spirit even has the power to form a certain peer pressure which pushes other employees to opt for more sustainable practices, increasing the importance of sustainability-related links ("There is a certain, I don't know, peer pressure – that sounds almost too negative – but there is a certain amount of control exercised, for example, that travels are made by train or avoided completely if possible", Interviewee 14). This shows that ESSVs can exert a certain influence on employees who are not particularly sustainability-oriented and use their knowledge for that, as demonstrated by Interviewee 1, "We or I also had a lot of influence on colleagues internally." Hence, *like-minded colleagues* form an important link between employees and organizations.

### Collaboration and Knowledge Sharing

Further, the second-order theme of the necessity of *collaboration and knowledge sharing* acknowledges the significance of sustainability-related links for sustainability-driven people in general (1.b). Since they perceive that tackling complex sustainability issues requires the establishment of connections, they would like their organization to initiate and form those. These required connections can be of inter- and intraorganizational nature. Interorganizational links extend to suppliers ("We have very mature or very standard processes to make sure all our collaboration with the suppliers meets the governance requirements", Interviewee 13) and other companies, including the sharing of expertise ("We offer to have short workshops with other companies to help them tackle the issue of sustainability", Interviewee 11). In the context of intraorganizational links, knowledge exchange between departments is crucial. It refers to the idea that sustainable and innovative ideas are not kept within their own unit but are spread and

copied by those who benefit from them. Interviewee 12 shared what this looks like in his company, "We always say 'Copy with pride,' so we don't try to hoard our ideas; we exchange them. We might have a cool idea that can't be introduced in our environment or doesn't make sense but offers added value elsewhere, and we really don't mince our words when we share our ideas." The exchange process signals interconnectedness to employees with strong sustainability values and underlines a company's sustainability efforts. Lastly, establishing links is important to getting to know the ones sitting on the other side. Sustainability-driven employees know that sustainability is a joint effort and requires looking beyond corporate boundaries. Therefore, Interviewee 7 highlighted:

> What I also find important is genuine bridge-building. What I observe is that companies are like bubbles. You are completely disconnected from the topics. So how many people write slides for us and then write on them that we do regenerative agriculture but have never had their hand in the soil?

All these aspects provide evidence for the importance of collaboration in sustainability-related links since employees with sustainability values know that fighting for sustainability is a joint effort. Seeing these links reflected in the company, therefore, ties employees to the company directly and indirectly.

Beyond these two factors directly influencing *sustainability-related links*, the model also shows a dashed line between *leadership championing sustainability*, which was primarily allocated to the fit dimension, and the link dimension (1.c). This is because leadership does not only enhance the fit, but the interviews have shown that the personal relationship with the leader and perceiving him or her as a role model can also be a reason for employees to join or stay with the company. Interview 8 disclosed that "She [the manager] really caught my attention with how passionate she was on the topic [of sustainability], and I could really tell that it is something she genuinely cares about, so I think she was also a big factor that added to 'oh, I really want to work for that company.'" Interviewee 11 shared, "We are lucky that we are with our boss," conveying a certain admiration toward his leader. Thus, both quotes signal that the personal relationship or link with the leader plays a role in the employee's wish to work for an organization, resulting in the depiction of this relationship in the model.

## 4.2 Organizational Factors Related to the Psychological Contract

The interviewees have listed and disclosed many aspects that they would like to see and even demand from their employer. These perceived obligations have been translated into factors *fulfilling the sustainability-related psychological contract*, touching upon the psychological contract theory (2).

### Internalized Sustainability-Related Values of Employees

What stands out in this context are the *internalized sustainability-related values of employees* (2.a). This means that employees are intrinsically motivated to contribute to sustainability as they perceive it as their own and the company's responsibility to add value in this regard, turning corporate sustainability engagement or the possibility to work in a job related to sustainability into a premise when choosing a job. Interviewee 5 highlighted her motivation, "For me, it's an intrinsic motivation, because I believe that, firstly, everyone has to look at oneself critically and do something," while Interviewee 2 stated, "I want to do something in my everyday life, in my job, to solve somehow this problem of the climate crisis and the loss of biodiversity and all these problems that we as humans are causing and somehow do my part". Therefore, Interviewee 10 said, "Sustainability is a value or an aspect that is considered heavily in terms of choosing a job." This intrinsic motivation and will to engage in sustainability often goes so far that employees become proactive in their companies, resulting from their own initiative. Interviewee 3 mentioned, "And so I am doing the little bit that I can to try and make this company take at least a few steps," while others organize themselves in sustainability initiatives or networks, accentuating their motivation and efforts. Regarding the sustainability networks, Interviewee 6 said, "The topic of sustainability was already very important to me back then. I also tried to get involved in an internal network and did a lot there with a sustainability initiative," and Interviewee 11, "We are very self-organized. This means that we are driven and motivated and try to be at the forefront of sustainability." This intrinsic motivation and initiative do not come out of nowhere – the interviews have shown that sustainability entails a highly personal and even emotional component since it triggers feelings and a sense of responsibility. Interviewee 14 shared her experience, "I can't really watch documentaries about climate change and so on because it makes me very, very, very emotional." As an answer to the question of why sustainability is important for him, Interviewee 6 admitted:

> I can't live with the thought of not working against it, but I would like to, whenever that is in 10, 15 years, to be able to say to my children in the evening, 'Hey, your father did at least everything he could to move the whole thing even a micro-millimeter in the other direction,' because I think otherwise I would find it difficult to look my children in the eyes. That's such a very, very funny, very memorable scenario that I have in my head, which drives me a lot.

In the context of employee retention, the interviews have revealed that companies need to be aware of and leverage these individuals' high motivation and sense of responsibility, mirror them in their own sustainability efforts, and acknowledge that sustainability is connected to genuine emotions for these people.

*Non-Negotiables for Employees*

As a side effect of the internalized sustainability values, employees possessing them have developed certain *non-negotiables*, encompassing circumstances under which fulfilling the psychological contract is impossible (2.a). These are connected to working in particularly polluting industries like fossil fuels and dealing with environmentally harmful products and services, as indicated by the answer to the question under which circumstances Interviewee 2 could not work for an organization, "if the basic product or service is harmful to the environment, i.e., if what we sell to the customer contributes significantly to the climate crisis. So I couldn't work for an oil company." Interviewee 9 disclosed, "I couldn't work there when it's clear that raw materials are being exploited, fracking or aluminum is being dug up, and the whole environment is being polluted as a result. And even if I were just sitting in Germany and doing the administration, I wouldn't do it. I really wouldn't do that." In the same line, employees do not support companies that sacrifice sustainable principles in order to skim the last remaining profit from operations, as shown by Interviewee 12, "I say, where I would consciously accept direct damage to the environment just for my profit, [...] so if I consciously accept damage just because I want the last few euros, then it wouldn't be the right employer." Companies pursuing this mindset will neither be able to recruit sustainability-driven employees nor retain them.

*Organizational Obligations Perceived by the Employees*

The previous quotes from the *internalized sustainability-related values* and the resulting *non-negotiables* outline the importance of sustainability for ESSVs and how it affects the circumstances under which they want to work. Consequently, these lead to the development of certain expectations that manifest as *organizational obligations perceived by the employees* (2.a), crucial for *fulfilling the sustainability-related psychological contract* (2.b). These obligations occur on two levels, one referring to an organizational and the other to a psychological dimension. Regarding the organizational dimension, the data has shown that ESSVs value the infrastructure provision by the organization, i.e., time, space, and resources to pursue activities or initiatives related to sustainability, although not directly attached to their role. Interviewee 10 gave an example from her employer:

> From our hours in a week, we have a certain number of hours that we do our analysis and then a certain number of hours that we can choose or apply to be a part of the project. And then we can do research or, you know, different initiatives that are going around the company. That is basically how we use our skills but also explore our interests regarding sustainability.

Offering some flexibility in the design of the job role and allowing employees to pursue sustainability as part of their role is also beneficial for their retention.

Furthermore, there are several obligations on the psychological level, which entail the provision of openness, empowerment, and freedom. These have to be allowed by the organization, but the final execution depends on the leader. Therefore, leadership plays an important role in the perception of organizational obligations, as indicated by the dashed line between *leadership championing sustainability* and *organizational obligations* (2.c). Employees want to feel empowered in their sustainability ambitions and demand understanding and encouragement from their leaders and the possibility of being involved. Interviewee 2 highlighted:

> When I come to a new company and say that I think it's idiotic that everything here is always packaged in plastic, I expect that they don't immediately say that they don't care, but that their ears are open and people say, 'That's a good idea. It's good that you're trying to implement more sustainability here.'

In regards to openness by leadership, Interviewee 6 mentioned:

> So, I believe that if a manager or a company realizes someone is passionate about this topic, they should be given every opportunity to keep this flame alive and turn it into something positive for the company. In other words, this openness, this empowerment, being able to drive this topic forward yourself is, I think, incredibly important because if the person feels that they can't live it out or the company wants to extinguish this flame a little, so to speak, then it becomes incredibly difficult to retain the person.

Both quotes highlight the importance of the leadership providing the opportunity to bring forward and implement own sustainability-related ideas. The last quote shows that if companies and their leaders fail to provide openness and empowerment for sustainability, employees do not see these perceived obligations fulfilled and might consider leaving the company.

### Genuine Commitment to Sustainability

The organization's *genuine commitment to sustainability* also belongs to the *organizational obligations*, yet it is a broad theme, so it has been assigned its own second-order concept but is not depicted in the model. In brief, it describes that employees expect the company to fully commit to sustainability and a clear positioning on how sustainability is treated within the company since – in the opinion of sustainability-driven employees – it is a company's responsibility to "conduct business in such a way that [the company] also make[s] a positive contribution to society as a whole" (Interviewee 1). The data has shown that the company needs to acknowledge the urgency of becoming more sustainable and consequently position itself accordingly, as indicated by Interviewee 6, "My company has to fully acknowledge that the whole thing is a problem, and it has to show the will to actively change something about it. And if I have the feeling that one of these things might not be the case, then it's not acceptable, and I'm out." However, employees not only oblige companies to acknowledge sustainability but also to act in a way with "really relevant impact" (Interviewee 1). The Interviewee then elaborated, "By that, I don't mean that you put up half an insect hotel on the 20 square kilometer site once

a year, but that you really make your overall business model truly green." In short words, it is important to walk the talk regarding sustainability. More specifically, employees want genuine commitment from top management as well, e.g., through linking financial incentives to the achievement of sustainability goals, as it is done by the company of Interviewee 9, "So if we don't meet our sustainability key performance indicators (KPIs), they simply get less money, and that's a huge statement, and it breaks it down well and ensures that everyone is motivated." This helps to fully attach also the top management team to sustainability. Moreover, from the ESSV perspective, a genuine commitment to sustainability also entails monetary sacrifices in weighing sustainable versus more profitable options. Employees expect their company to be eager to make that sacrifice since this demonstrates that the company truly praises what it preaches, as summarized well by Interviewee 12, "Then it is not always a purely economic decision. The company must be willing to strive for the most sustainable solution and not just the most economical one." Hence, it is crucial that the company also meets the obligation of *genuine commitment to sustainability* along with the other organizational obligations to influence *fulfilling the sustainability-related psychological contract* positively (2.b).

## 4.3  Organizational Factors Related to Sustainability Strategy

This section comprises two factors influencing retention that were identified independent of existing theory, referring to the strategic orientation of the company

### 4.3.1  Credible Sustainability Engagement

The first one is *credible sustainability engagement*, meaning that the data has shown that employees value credibility in the company's sustainability pursuits (3). It entails the importance of the company's reputation and of what and how the company communicates its sustainability efforts. It does not suffice that companies claim to behave sustainably, but sustainability-driven employees expect more than words and empty assertions, as briefly summarized by Interviewee 9, saying that "it has to be credible and not just a farce, the companies have to manage that." The aggregated dimension includes two second-order concepts which are not separately mentioned in the model.

### *Credibility and Transparency Regarding Sustainability*

First, companies need to show *credibility and transparency regarding sustainability*, which is consistently found throughout the company, fostering trust among the employees. The notion of consistency throughout the entire company is crucial, as otherwise, the company loses a part of its credibility. Interviewee 11 emphasized in that context that he would like to see

> […] perhaps a role model and consistency of values within the company. So we can't say that we are investing in green energy, and on the other hand, we don't care about waste, so we need to focus on sustainability in as many areas of the company as possible. Otherwise, it is not credible.

That underlines a certain seriousness and trustworthiness concerning sustainability demanded by employees, which can be enabled through transparent communication, as illustrated by the quote of Interviewee 8, "Transparency is very important. So you don't just communicate with empty words, but you're transparent about your actions." However, being credible is not easy since ESSVs are knowledgeable in their domain and cannot be deceived easily by false claims, as supported by Interviewee 9, "So, greenwashing – I loudly proclaim something, but don't actually implement it – that doesn't work. People who care about it will eventually notice." This means that companies must be careful in what they communicate and how they communicate something, always sticking to the principles of credibility and transparency.

### *Sustainability for Branding and Reputational Purposes*

Second, the interviews have disclosed that for a positive influence on their retention, employees expect the company's sustainability efforts to have a deeper aim than only *branding and reputational purposes,* as shown by the other second-order term. Interviewee 15 said, "My company also tries to present itself as positively as possible to the outside world, just like everyone else on the free market does, because sustainability is somehow a very good selling point," indicating that sustainability is often pursued for branding purposes. Since it is such a hot topic and employees, but also society in general, demand companies to be sustainable, the interviewees are well aware of greenwashing attempts and companies that give themselves a green coat of paint, confirmed by Interviewee 7, "We weren't that much better before either, but now it's slowly coming to the point that we're still claiming we're good, and in my opinion, that's clear greenwashing," and Interviewee 8, "Yeah, I think that nowadays a lot of companies are at least a little bit greenwashing, because there are big words that are being said right now." However, the data has also shown that employees accept that companies market and praise their sustainability pursuits as long as they are credible and genuine. Interviewee 9 said in this context, "We also do marketing with it – of course. We do it the way marketing and communications are done, with a big bang. But I know that there's something behind it."

### 4.3.2   Strategic Integration and Alignment of Sustainability

While the previous organizational factor highlights the significance of what and how the company communicates for employee retention, *strategic integration and alignment of sustainability* focuses on what the company is doing (4), specified through six different second-order concepts not explicitly shown in the model.

***Sustainable Business Model***

At the core of each company's operations is the business model that sustainability-driven employees expect – unsurprisingly – to be sustainable. This means that the interviews have proven that the retention of employees is significantly facilitated in case the company's core activities are sustainable per se. In this regard, interviewees highlighted the importance of a *sustainable business model*, meaning that "the products, the service that the company pursues, should be sustainable" (Interviewee 4). Particularly ESSVs can better identify with such companies whose core is sustainable. In case the business model or sold products are not sustainable or support sustainability principles, the employees in question might raise doubts if the working place is the right one, as indicated by Interviewee 4, "If I were to start working for a car manufacturer […] even if they made electric cars or hydrogen cars, that would still be individual transportation, and I wouldn't be happy." Despite, e.g., efforts to make processes more sustainable, an unsustainable business model creates an obstacle for sustainability-driven employees. In the context of a major retailer, Interviewee 15 said, "The problem is that your entire business concept is unsustainable. So they can make their existing processes as climate-friendly as they want within the company, but their market power makes everything more unsustainable." This highlights the point already made before: the employees clearly distinguish between a business model that is genuinely anchored in sustainable principles and efforts focussing on mere process improvements for sustainability though continuing with only moderately sustainable offerings, while they prefer the former over the latter, as shown by Interviewee 6:

> You can approach sustainability in companies in two ways. I think one way is to say that we look at our current processes and try to make the whole thing better, or we try to rethink processes completely, potentially also rethink complete business models, and I think I always tend to be more of a fan of the latter.

This described identification with the business model is closely related to what has been written in the context of *value congruence* between employer and employee, illustrated by the connection between *value congruence* and *strategic integration and alignment of sustainability* (4.a). If employees perceive value congruence, these values are most likely also reflected in the business model so that employees can identify with it. Interviewee 1, for example, stated, "For me, it's really important that I can have a positive influence, and therefore, I can identify with the business model." His value is creating a positive impact, and his employer strives for the same so he can identify with the business model.

***Sustainability Strategy and its Operational Implementation***

While a sustainable business model is of utmost importance, its consequences are just as relevant, i.e., *the sustainability strategy and its operational implementation.* A company's

attractiveness is enhanced if the sustainable orientation of the business model is reflected in the company's vision, mission, and strategy, as proven by Interviewee 10, "They had a mission statement that was speaking to me. I knew that they had a vision in terms of where they want to move next," and Interviewee 7, "I think we have a great vision and also some starting points, which is why I stayed and from which I also think something can be done with it." These employees expect a sustainable direction throughout all levels, not only on the overarching vision but also in strategy implementation. On a high level, it is beneficial for retention that a company knows precisely where it is heading and why it is doing that. In this context, Interviewee 7 mentioned:

> [It is crucial] to have this why. And that doesn't have to mean it's perfect, but just like you said, to say 'that's where we want to be.' You can say we want to get there but haven't yet. We need to ask ourselves this honest question: Why are we there, and how do we want to align ourselves with it?

On a lower, more strategic level, it is essential to have a strategy for sustainability rooted in such principles ("Ultimately, a strategy has been mapped that is based on the Sustainable Development Goals (SDGs)", Interviewee 12) and to ensure the strategy is broken down to the different business units ("So from this overarching strategy roadmap, we then try to break things down to the individual plant and identify projects", Interviewee 12). Breaking down the sustainability strategy also entails looking at the company's internal strategy, i.e., what the company does internally to promote sustainability. The interviewees mentioned several internal measures that their employers are already undertaking, such as "clear announcements that you should please travel by train for journeys that do not exceed a certain length of time" by Interviewee 1 and "the Group has also electrified its entire fleet and provides charging stations" by Interviewee 14. For ESSVs, these internal efforts do not go unnoticed, the opposite is the case. If the company is doing something that, in their perception, is unnecessary or unnecessarily unsustainable, they will find themselves in doubt, as shown by the situation described by Interviewee 14:

> So once, we did an offsite in Turkey and flew there. I was a bit conflicted about how it would appear if we, as a team, took a plane trip with 20 people. It was not only an event, it was also work. We still met a customer there, but it was a bit of a conflict situation for me.

This highlights the importance of internal sustainability measures for the employees to feel comfortable.

### *Alignment of Internal and External Sustainability Efforts*

The next second-order concept of *alignment of internal and external sustainability efforts* deepens the importance of internal sustainability measures. The data conveyed the idea that employees perceive a difference between what the company is doing internally, referring to the

abovementioned internal sustainability measures, versus externally, meaning what the company offers and sells to the external world. Even though the external side is considered more important, ESSVs want to see both aligned. Interviewee 14 disclosed:

> So, I differentiate a bit between the two sides. One is what our company sends out into the world, i.e., what we produce and for what purposes, and the other is how it is handled within the company with business trips, company cars, and so on. What is more important for me is what we send out into the world.

This emphasizes the two points made before. First, this quote illustrates that internal and external efforts are two separate aspects, and second, that the external side weighs far more since it creates the more significant impact. The latter was further confirmed by Interviewee 1, "Of course, I can have a sustainability day and report on things and do other stuff, but if I don't change my business model in the end, the impact will probably be relatively small." Nonetheless, internal and external pursuits should be aligned and „must not completely contradict each other" (Interviewee 14), otherwise, it might not be credible. In the context of retention, this means that employees want to see the external and broadly communicated sustainability efforts also reflected internally, yet they are aware that the external sustainability side bears more significance and a more considerable impact.

### *Leveraging on Sustainability as Business Opportunity*

Furthermore, ESSVs see the incorporation of sustainability into the strategy not merely as an obstacle but also as a *business opportunity to leverage on*, as shown by the quote of Interviewee 9, "And sustainability is becoming a new driver, a new business." Sustainability becomes a new source of revenue by extending the product or service offerings and developing new innovations for sustainability. Employees appreciate seeing their company tapping into new sustainable offerings and realizing that sustainability is not only treated as something inconvenient but as a business opportunity. The extension of offerings towards sustainability dimensions is not resented by ESSVs, even though it connects sustainability to generating profit. Instead, the employees support the shift to more sustainable offerings. Sustainability-driven employees might even develop a new product or service offering.

> What I think is really great is that we founded a so-called Green Guild a few years ago. I think there were 12 of us at the first call, and now there are over 400 of us worldwide. It's a voluntary event, no one is forced to take part and anyone can volunteer, and there are now some really great things that people have developed, or people have said, 'we can have a look here, we can do something there.' And it's also being taken up. And these ideas have been developed further, and customer offers and services have now been developed from them.
> (Interviewee 5)

Furthermore, employees see sustainability not only as a present business case but also as a future one. On the one hand, mere compliance with sustainability regulations will not suffice to

withstand competition, potentially depriving the company of competitive advantage, as shown by the quote of Interviewee 2, "And if you only do the minimum that is required by regulation, your competitors will leave you behind, I am quite sure of that." On the other hand, investment in sustainability will eventually pay off in the future, as implied by Interviewee 12, "Looking to the future, I believe that everything you invest in sustainability will also make economic sense at some point." These points together show that the company's strategic perception of sustainability as a business opportunity instead of an obstacle is beneficial for retaining sustainability-driven employees.

### *Targeted Communication Internally to Raise Awareness*

Further, how sustainability is communicated internally is also important for its strategic integration since it should be *targeted communication internally to raise awareness*. From the perspective of sustainability-driven employees, good communication covering sustainability is not easy because companies tend to present themselves too positively ("I would say [communication is] definitely too one-sided and very positively trimmed. I understand the idea behind it. And I think it's also the same internally, that we talk a lot about what's great and how great we are", Interviewee 7), or they publish their communication in an unappealing way that no one will read it.

> We have a lot of information and guidelines to read on the intranet. If you don't need it, you don't look for it. And when do you ever look online and read through the pamphlet on sustainability put together by our communications department, which was probably last revised eight years ago or so? In other words, I'm sure there's something, but I don't know how many of us have ever had our hands on it.
> (Interviewee 15)

For employees valuing sustainability, though, solid internal communication is vital to see that the company engages in sustainability. Moreover, they believe this communication is also vital for employees without a particular understanding of sustainability, as it is the first step towards raising awareness. Interviewee 12 highlighted:

> I also know that many employees would like more information and more exchange. This is precisely where we are trying to raise awareness, and I believe we are succeeding quite well.[…] There are many things that people are simply not aware of. I believe that the further we move towards the shop floor, the more colleagues there are who have not yet internalized the concept of sustainability as strongly, not because they are not interested, but because a holistic consideration of the topic is incredibly complex. Therefore, we provide more information here and try to not only bring them our activities closer but also the general needs of the earth.

To conclude, ESSVs would like to see a well-thought-through yet honest communication strategy that displays their sustainability efforts and also informs the other employee groups.

### *Organizational Inertia Related to Sustainability Implementation*

The abovementioned second-order concepts outline the importance of incorporating sustainability into the company's strategic agenda. However, this integration does not always run as smoothly as wanted, and one might encounter *organizational inertia related to sustainability implementation.* These comprise reluctance from the organization to implement sustainability and obstacles that the interviewees have faced. First, pushing for more sustainable practices within the company can be challenging for employees since the organization is unwilling to implement such steps and provide the necessary resources. Interviewee 3 disclosed, "It's really hard to try and get things through that don't get immediately greenwashed and watered down." Then, in the context of developing a software tool to monitor emissions, he adds, "I have actually managed to get that force through. We've got a minimum viable product going through of it. But at every stage, it's fighting for a trial or fighting for a little bit of money to do it." The reluctance, however, is not limited to the organizational level but also extends to the people side, hindering the strategic integration of sustainability. Colleagues might not share the sense of urgency and understanding for sustainability, as shown by one situation shared by Interviewee 2:

> I can remember team events where we met up with other teams, for example, from all over Berlin, and then some colleague said that he had flown in from Munich. And then I said, 'You're talking to the sustainability team here, that's just not going well with us.' I found it surprising that there are other people in the company for whom it is apparently unimportant. I thought it was important for everyone here to look after the environment.

However, changing people's minds and reducing their resistance is challenging and requires careful, slow change management, as shown by Interviewee 8, "This change management within sustainability has to be very patient and very slow with the people." Contrary to people who lack understanding of sustainability, change towards sustainability is often perceived as slow by ESSVs, hindering a complete integration of sustainability in the near future ("But it's very slow, slow-paced. It takes a lot of time", Interviewee 8). This impression of a transition too slow is aggravated when sustainability-driven employees experience disappointments regarding the organization's sustainability. These can be manifold, like financial decisions that are disguised as decisions for sustainability, as shown by Interviewee 15, "There are sustainability efforts that are simply logical from an economic point of view. [...] We have now replaced our light bulbs, which consume less energy, but it was a financial decision", or policies for sustainability that are disregarded, underlined by Interviewee 3 "And I thought, OK, fair enough, they've actually got policies on that. I've got here, it turns out nobody listens to policies." Hence, these organizational inertias, implying potential disappointments, influence the

retention of ESSVs negatively, while overall *strategic integration and alignment of sustainability* benefit retention (4).

## 4.4 Psychological Factors Influencing Retention

While the factors described above refer to organizational factors, the interviews have also revealed psychological factors influencing the retention of ESSVs, i.e., *tolerance for sustainability-related personal and corporate realities* (5). Data has shown that in the corporate sustainability topic, employees hold an ideal scenario that might deviate from reality, and they have to be able to endure this.

### *Balancing Ideals and Realities*

Despite all sustainability efforts implemented by the company, they might still not meet the employees' dreams Therefore, the first second-order concept is called *balancing ideals and realities*, acknowledging a wide array of potential conflicts. Regarding the job selection, two aspects have been found to interfere with the ideal job in sustainability. On the one hand, the job market itself is challenging and highly competitive from an employee and employer perspective, which is why individuals with strong sustainability values do not necessarily find a job that aligns seamlessly with their values. Interviewee 10 acknowledged, "That's a perfect scenario. So you go to the job market, and then you're like, OK, I want a perfect company with sustainability values, and then you get the job. But then, on the other hand, we know what the reality is in the job market and what the situation looks like." On the other hand, working in a job not only satisfies the need to be in an environment resembling one's own values but also provides monetary compensation and security. Therefore, even though a job may not align entirely with one's own values, it can still provide the necessary financial means, binding an ESSV to the company ("One thing is my motivations and my willingness to work with sustainability, and then another thing is actually just life and also, you know, financial aspects," Interviewee 8). As a result, these employees understand and respect other people's decisions to remain in a job just for the sake of having one and providing for the family, as shown by Interviewee 5, "In some situations, personal situations, it's not possible for people to resign right away. So, you can't blame them for that. The fact that they are even thinking about it is already a good sign." It shows clearly that sustainability is never the only factor that is considered in the decision to remain in a company.

Similarly, sustainability is not and cannot be the only priority for companies. Employees understand that, yet it is not easy to accept. ESSVs often start a job with a rather idealistic view but soon realize that the main focus of the company is being profitable, which the company

requires to survive. Interviewee 8 described her experience, "So it was a huge shock and a huge realization of how it works within the corporate world and how strategic you have to be even when you work with sustainability. Unfortunately, the way that the corporate world mainly works is aimed at profit." Interviewee 10, who was coming out of university when she started her current job, shared something similar, "I think in my first or second meeting with my manager, he needed to tell me, like, 'just remember that we are not Greenpeace. You're not working for a non-profit organization.' So I think this is very important to remember, and sometimes I struggle with that, but I think it comes with time." The need to maximize profit and run the business as a company appears to be incompatible with sustainable principles, which is why sustainability-driven employees need to develop a certain resilience against this perceived contradiction within companies. Talking about the push to maximize profit within her company, Interviewee 7 shared, "Recently, a colleague said that for her, it's just turbo-capitalism now. We're pushing everything as far as it can go until we realize it can't go any further […], and it's just more and more, really only further, further, further, higher, faster." Interviewee 8 said, "I felt that sustainability and the corporate world, where it's usually of the capitalistic values, they are somehow contradicting." This divide and incompatibility might hinder the retention of sustainability-driven employees, yet they must learn to tolerate it to a certain degree. In this regard, other benefits within their job role, e.g., the possibility to shape their own job or the influence to push sustainability within the company, can compensate for a certain value misalignment and the feeling that the core business model is not the most sustainable yet. Interviewee 7 shared, "From an outsider's perspective, I think this company, for example, hasn't aligned with my values for quite some time. But within the company, I was still able to do enough that I was at peace with it." Hence, there are ways for companies to provide such compensation for successful retention in case they cannot shift their business model in the short term.

### *Sustainability as a Multi-Dimensional and Complex Concept*

Moreover, companies and, more importantly, ESSVs have to accept *sustainability as a multi-dimensional and complex concept*, the other second-order concept, making holistic consideration and implementation throughout the company difficult. Since it is such a broad and complex topic, also employees perceive and define it differently. When asked for their definition of sustainability, most interviewees focussed on the environmental aspect, others on the social domain. Interviewee 10 acknowledged the difficulty of a uniform definition, "I think it's hard to tell because sustainability is a very broad topic, and I think everybody understands it maybe differently, or maybe picks and chooses what they want from the overall definition, or even have their own definition." This increases the difficulty for companies in implementing

sustainability and finding a starting point. The data has revealed the ideal scenario in that sustainability should permeate the entire organization, yet realizing this holistically is difficult, as confirmed by Interviewee 5, "However, the whole recycling or circular economy mindset isn't really deeply rooted yet. It's partially there, so it often depends on specific instances or projects being implemented. But overall, you can't really say that the entire company is fully infused with it [...] unfortunately, not yet.". Hence, both – the breadth of sustainability and its incorporation throughout the breadth of the company – pose a significant challenge to organizations. The increased size of the organization exacerbates the challenge of holistic implementation. The larger the company is, the more difficult and slower the realization of systematic sustainability efforts, as stated by Interviewee 5, "It doesn't happen overnight because the entire organization, with 90,000 employees worldwide, is a big wheel that needs to be set in motion." Thus, the nature of sustainability as a multi-dimensional and complex concept makes its implementation difficult, which is why ESSVs need to be patient and show an understanding that large organizations, especially, need time to put their whole sustainability potential into action. If they learn to accept this and develop a *tolerance for sustainability-related personal and corporate realities*, this positively affects their retention (5).

## 4.5 Contextual Factors

The last aggregated dimension does not directly represent an organizational factor influencing employee retention, yet it is pivotal for this research. The various relationships examined between the organization, organizational factors, and employees do not occur in a vacuum but are embedded in a certain *societal and institutional context* that affects companies and employees (6), represented by the green rectangle around the model.

*Evolving Mindsets and Emerging Trends*

Coming from the societal side, the second-order concept of *evolving mindsets and emerging trends* shapes the way companies conduct business and shift people's perceptions. Overall, the interviewees perceive that the topic of sustainability is still in its infancy in many companies, despite increasing demands for more sustainable behavior by society s and ESSVs in particular. Interviewee 14 admitted, "Yes, sustainability hasn't always been a topic here, meaning that everything is still developing, and it's not certain that things will stay as they are now." The topic has gained momentum through the COVID pandemic, during which traveling was prohibited, and companies started to realize that many travel activities are unnecessary, saving large amounts of emissions. Interviewee 1 shared his experience in the consulting industry:

> Before COVID, consultants would be at the client's site every week from Monday to Thursday. That doesn't happen anymore, so there are already some savings there. Roughly speaking, my current employer's emissions have probably decreased by 50 to 70% compared to pre-COVID levels, so it's quite significant.

Companies are well aware that society expects them to become more sustainable, which is why they have started to position themselves as sustainable organizations in the market ("I believe it's different today. Today, we try to position ourselves as software, as sustainable, as modern. We are really trying to position ourselves, and especially the topic of sustainability plays a big role", Interviewee 9). This positioning responds to the expectations of many young people, who increasingly search for sustainable employers. Recruiting qualified and young talent is one of the reasons why companies engage in sustainability in the first place, as shown by Interviewee 1:

> In the end, it will simply play a much greater role in the future because it is important for companies to recruit young talent, and there is a larger proportion, especially of well-educated people, for whom this is very important right from the start and they will not start working for a non-green company.

Younger people have stronger sustainability values and awareness since they are raised with the topic and confronted with it already from kindergarten on ("I can imagine very well that the younger generation, in particular, is probably much, much closer to this now, because the topic also comes up in school, in kindergarten", Interviewee 11) and therefore select their jobs based on different criteria than previous generations, as shown by Interviewee 10, "I think you know as a Gen Z representative, I would say it strongly speaks to me because in choosing an employer, I see the differences of how I'm choosing a potential employer and how my parents were choosing their employers or grandparents and so on." Therefore, companies need to be aware of how young people and ESSVs, in general, select and evaluate an employer and pay attention to the fact that the whole topic is still developing – on an organizational and societal level.

### *Institutional Pressure*

Next to a societal shift towards sustainability, companies also have to face growing *institutional pressure* for sustainability. New and stricter legislation implemented by governments pushes companies to increase their own sustainability standards. This is necessary since otherwise, companies might not be fast enough or will not do enough for sustainability, which is why ESSVs approve stricter sustainability regulations. They even think that corporate sustainability efforts might only gain momentum through these policies, as shown by the quote of Interviewee 3, "[…] governments need to do more because the culture is not going to shift fast enough." Interviewee 5 said, "You can actually see that only a few are taking action or have understood and that change only happens under pressure. That's why I think it's good that the regulations are now taking effect." For companies, it is highly crucial to adhere to the regulations since

non-compliance leads to financial penalties ("With the legislations fees are coming if you don't comply with the legislations", Interviewee 8). In the context of retention of sustainably-driven employees, the data has shown that acknowledging the institutional pressure is important because it means that no company can withdraw from its responsibility to implement at least minimal sustainable efforts. At the same time, while these employees appreciate the evolving legislation, it is questionable if compliance with the regulations as a bare minimum is enough to successfully retain them.

## 4.6 General Retention Factors

Lastly, the above-mentioned factors influence the retention of sustainability-driven employees. It is important to note, though, that other *general retention factors* applying to employees with average sustainability values are also relevant for the retention of ESSVs (7). This research focuses particularly on the sustainability dimension of retention of ESSVs, yet the interviews have shown that they still require some general factors, just as average employees and then other sustainability-related factors on top. Due to their generality, the basic factors are not part of the research, yet they should be mentioned briefly without delving into the second-order concepts, acknowledging that sustainability-driven employees also possess other needs that need to be fulfilled, e.g., being treated fairly and with respect. Interviewee 4 shared a negative experience, "So the longer you worked there, the more you realized that it was a toxic working environment, meaning that some of the employees weren't treated very well and a lot of stress was generated," showing that sustainability-driven employees also require these basic factors. The basic factors demanded by employees can be summarized in the words of Interviewee 10, "You're treating your employees not right, not paying them, not providing them basic benefits or not even benefits, but like the legal things like maternity leave, paternity leave and so on. Those kinds of things, I think, are a basic thing for an employer to provide to an employee." Treating employees right and granting them breaks and opportunities to grow increases their motivation and fosters trust, as shown by Interviewee 5: "And you can say that with sustainability or with any other topic, the moment you treat an employee properly, respectfully and involve them, you will also have a motivated employee who thinks and participates," which highlights again the benefits for the corporate side to provide these basic factors, regardless of the employees' sustainability values.

# 5    Discussion

## 5.1    Theoretical Contributions

### 5.1.1    General Contributions

The grounded theory model (Fig. 3) that has emerged from the interview data and its connections to existing theory sheds light on which and how organizational factors influence the retention of sustainability-driven employees. More precisely, it explains the sustainability dimension in the retention of ESSVs. Since it is a grounded theory model, it adds and enriches existing literature in many meaningful ways.

First, it complements the literature with regard to sustainability values. So far, existing employee retention literature has not yet distinguished employees based on their sustainability values but considers them as a homogenous group. Of course, researchers are aware of value differences across different generations, with younger generations having a stronger affinity for sustainability, yet the focus of retention efforts barely lies on sustainability values only (Gabrielova & Buchko, 2021; Mahmoud et al., 2020). Therefore, this study advances the retention literature by showcasing employees with strong sustainability values. Further, the notion of strong sustainability values itself is relatively new. Previous work found that value alignment regarding environmental values between employees and employers increases job satisfaction (Spanjol et al., 2015), but this study also found concern about social matters to be part of sustainability values. Other research presents the concept of a pro-environmental attitude, as outlined in the literature review part, but attitudes are more narrow and are held towards more specific issues (Dietz et al., 2005; Soyez et al., 2009). These have not been connected to employee retention yet. Therefore, this research offers a more holistic perspective on sustainability values than the existing environmental values or pro-environmental attitude, describing what is important to them and what they expect from an employer.

Secondly, this research grants a broader view of the connection between retention and sustainability by highlighting the sustainability dimension in retention. Overall, there is academic consensus that corporate sustainability efforts or adjacent concepts like CSR have a positive effect on retention (Carballo-Penela et al., 2023; Lee & Chen, 2018). However, these studies have not considered sustainability as a crucial dimension of it, but more as an element that might be added to retention. Again, this happens because existing studies look at employees in general or at rather broad groups, e.g., on younger people in the study by Carballo-Penela et al. ( 2023). These studies fail to acknowledge sustainability as a core aspect of retention because they consider retention based on more traditional factors. While this perspective is right for employees,

ESSVs require a more nuanced view of sustainability in retention. This study, focussing on ESSVs, has shown that corporate sustainability efforts have become vital in their retention, making it worthwhile to look particularly at the sustainability dimension in retention, which this study does. Therefore, this research enriches the existing one at the intersection of sustainability and employee retention by acknowledging sustainability as a vital part of it and giving insights into this particular dimension.

Lastly, and most importantly, through the course of this inductive study, a grounded theory model connecting interview data and existing theory was developed to shed light on the sustainability dimension of retention of ESSVs. This model not only acknowledges the importance of sustainability in retention but also delivers valuable insights into which organizational factors can influence the retention of ESSVs. Furthermore, it shows how different organizational factors are related to each other. Existing theories, i.e., job embeddedness theory and psychological contract theory, which might be thought of as suitable to answer the research question, were found to be unable to explain the whole phenomenon researched. They have benefitted the research and provided starting points to be included in the model, yet they could not answer the research question. Therefore, this research has extended job embeddedness and psychological contract theory with various novel insights from an inductive research approach to solve the answer of how organizational factors influence the retention of sustainability-driven employees holistically.

### 5.1.2 Contributions to Job Embeddedness Theory

By incorporating job embeddedness in the model, this research also enriches this theory by adding a sustainability dimension, resulting in *sustainability-related job embeddedness* as depicted in the model. The literature backing up and proving how job embeddedness and its dimensions relate to employee retention is dense (e.g., Jiang et al., 2012; Lee et al., 2014). These studies look at job embeddedness and the observed group of employees holistically, leaving out the particular aspect of sustainability. Thus, a closer look at employees with strong sustainability values and how their job embeddedness can be increased is required. Lee et al. (2023) have tackled this in their research, exploring the influence of ESG on employee retention. They used job embeddedness to explain how a company's engagement in ESG fosters value congruence between employer and employee. However, looking at the grounded theory model (Figure 3), it becomes clear that value congruence is only related to the fit dimension and that job embeddedness is not limited to value congruence. The existing work by Lee et al. (2023) builds a solid foundation by focusing on value alignment as part of the fit dimension of job embeddedness but does not regard job embeddedness in all its breadth. Therefore, the present study provides

a more nuanced view of sustainability-related job embeddedness beyond value congruence and which organizational factors promote a sustainability-related fit and link dimension. In particular, this research has found that *value congruence between employer and employee* (in line with the findings by Lee et al., 2023), an *empowering and sustainability-driven working environment* and *leadership championing sustainability* increase the fit dimension, while the link dimension is affected by *like-minded colleagues* and *collaboration and knowledge sharing*.

### 5.1.3 Contributions to Psychological Contract Theory

Next to job embeddedness theory, also psychological contract theory is depicted in the model, so this research adds to it with interesting insights. The sustainability-related psychological contract outlined in the model refers to the special type of obligations in terms of sustainability that ESSVs hold towards their organization. Previous literature found that violating the psychological contract from the organizational side can lead to employees leaving the organization (Turnley & Feldman, 1999). Turning this logic around, fulfillment of the psychological contract can increase employee retention, which is reflected in the model. Existing research has already connected psychological contract theory to pursuing an ideology-infused cause, e.g., sustainability (Dixon-Fowler et al., 2020; Thompson & Bunderson, 2003). They have further proposed that employees with strong internalized sustainability-related values are more likely to strive for ideological currency exchange, entailing commitments to the cause, in their psychological contracts (Dixon-Fowler et al., 2020). Therefore, the idea reflected in the model that *internalized sustainability-related values* shape perceived *organizational obligations* is already rooted in the existing literature. Due to a certain ideology and morals, employees may develop *non-negotiables* that cannot be compromised (Thompson & Bunderson, 2003). These have also been identified in connection to this research and form part of the model in which they – following the logic of Thompson and Bunderson (2003) – are a consequence of the strong sustainability values reflected through spatial proximity. Together, they influence the perceived organizational obligations that companies must meet to fulfill the sustainability-related contract and increase employee retention.

While both studies (Dixon-Fowler et al., 2020; Thompson & Bunderson, 2003) acknowledge the existence of sustainability-related organizational obligations, they do not mention which obligations exactly are entailed in sustainability-related contracts. One reason for that could be that IPCs "[allow] for a considerable degree of subjective judgments in terms of how perceived obligations are fulfilled" (Thompson & Bunderson, 2003, p. 576). However, this research has achieved to extract and list some of the perceived obligations related to sustainability and thus,

contributes to the existing psychological contract theory by making the abstract perceived obligations related to sustainability more tangible, facilitating employee retention.

Further, the study on IPCs by Thompson and Bunderson (2003) predicts that the violation of such a contract is more likely to lead to objection from the employee side and to the drive to change something than to the employee's departure from the organization. The present study, as an inductive one, cannot refute this argument, yet the interview findings deliver strong evidence that fulfilling the perceived organizational obligations related to sustainability at least helps with employee retention. Hence, this research contributes to the argument by outlining that a sustainability-related contract violation might not necessarily lead to the employee quitting, but fulfilling the contract clearly has a positive influence on the retention of ESSVs.

## 5.2 Practical Contributions

Besides advances in the theoretical realm, the research can also benefit practitioners. Managers could derive recommendations for their businesses on which practices meet employees' sustainability-related expectations and enhance retention successfully. Sustainability is becoming an increasingly important factor in retention, and especially younger employees prefer to work for sustainable organizations. Hence, drawing from the identified organizational factors and implementing them can help to retain sustainability-driven employees.

The findings have shown that a first step for companies to achieve successful ESSV retention could be creating transparency as part of the *credible sustainability engagement*. They should analyze and disclose their current standing in terms of sustainability and consider this status for developing a sustainability strategy, as part of the *strategic integration and alignment of sustainability*. Retention is significantly facilitated if companies already have a *sustainable model*, otherwise, attempting to change the current business model is beneficial. Further, companies could, for example, seek to enhance retention of ESSVs by increasing their job embeddedness, i.e., making them feel tied and connected to their company. To enhance the perceived *sustainability-related fit*, organizations could take measures to enhance *value congruence* by making sustainability a core value and priority of the organization. While creating value alignment as a culture topic takes time, other factors, like providing an *empowering and sustainability-driven working environment*, are more actionable. This entails, for example, encouraging discussions around sustainability and creating an infrastructure that enables the employee to behave sustainably, e.g., by offering vegetarian food onsite.

In all that, it is highly recommended that the company involves sustainability-driven employees and seeks an open and constructive dialogue with them, e.g., through joint workshops. This can

help to unveil the *organizational obligations* and expectations perceived by the employees of a specific company and together, actionable and tailored steps can be developed. The organizational obligations can be manifold, ranging from the allocation of resources on employee-organized sustainability initiatives to a leader's openness. Becoming aware of these expectations and fulfilling them will send a strong signal of willingness to the employees, enhancing retention.

Further, employing some of the organizational factors might create synergies between measures to enhance organizational sustainability and those to increase employee retention. By choosing the proposed sustainable practices, companies can engage in sustainability efforts, drive sustainable development, and simultaneously improve employee retention. If companies become active in sustainability and engage in the proposed practices early on, they might gain a competitive advantage through successful employee retention. This could alleviate the pressure of the current employment situation and decrease turnover costs.

Moreover, this research has revealed *organizational inertia related to sustainability implementation,* which employees perceive as obstacles to implementing more sustainability in the organization. This inertia comprises, e.g., disguising decisions that pay off financially as sustainability-motivated decisions and the slow pace regarding sustainability implementation. This can lead to the ESSVs being frustrated and disappointed, affecting their retention negatively. Therefore, the outlined inertia and factors could help practitioners become aware of issues and enable them to seek conversations with fellow colleagues or subordinates about their perceptions. This approach can prevent ESSV turnover early on.

However, in implementing different organizational factors, companies need to be aware that for ESSVs, sustainability efforts are not only a box to tick in what they look for in an employer. These individuals have strong *internalized sustainability-related values*, so sustainability is a genuine concern for them. The research has shown that for these interviewees, the topic is connected to strong emotions and anxiety about the future. Therefore, companies must handle this issue carefully, involve their employees, and take their sustainability efforts seriously.

## 5.3  Limitations and Future Work

Despite all the academic rigor and cautiousness applied, this study has some limitations. First, a certain amount of subjectivity cannot be excluded, which applies to the interviews and the researcher. Interviewees should all have "strong sustainability values" to participate in this research. However, this is difficult to tie to a numerical scale, which is why there is a limitation in the definition of strong sustainability values.

Second, the data analysis might still contain a certain level of subjectivity. Although the methodology by Gioia et al. (2013) ensures academic rigor, the labeling and interpretation of codes are still dependent on the researcher. Therefore, future empirical studies should verify and check the validity of the results, e.g., by focusing on individual organizational factors or putting them to the test in a different, maybe quantitative study. Also, the emerging model provides a holistic picture of the organizational factors influencing retention and assigns equal importance to all of them, although it is most likely that certain factors are more important than others. Hence, researchers could test which factors are most important and effective, using, for example, quantitative studies to identify the retention impact created by each organizational factor.

More critically, it could be challenged how important the sustainability dimension in retention is overall. This research shows clearly that ESSVs value sustainability as part of their retention, yet other general retention factors have also been identified as relevant. Future studies could seek to compare the sustainability dimension in retention with other retention factors to prove its importance quantitatively.

Further, the emerging grounded theory model should not be regarded as finished work but as a starting point for future research that can be refined and extended in various directions. It does not claim to be finalized, it rather welcomes other research focussing on individual factors, validating them or even identifying new ones by using interview partners from a different context, e.g. employees in startups.

Lastly, the model shows different organizational factors influencing the retention of ESSVs and some connections between the factors themselves. Future research could also try to add complexity to the model by identifying new relationships, deepening the existing ones, and examining how they influence each other. This has not been the scope of this research, but it could enrich the understanding of the sustainability dimension in retention.

# 6 Conclusion

In the eye of accelerating climate change and the increasing importance of sustainability for employees, this study sought to shed light on how organizational factors could influence the retention of sustainability-driven employees by focusing on the sustainability dimension of retention. The result of this study is a grounded theory model that depicts various organizational factors identified through the interviews and the inductive research approach and thus answers the research question graphically. The organizational factors of *value congruence, an empowering and sustainability-driven working environment*, and *leadership championing sustainability* increase the *sustainability-related fit* of the employee with the organization, i.e., lead to perceived compatibility with the employer. Having *like-minded colleagues* and being part of *collaboration and knowledge sharing* in the company can increase the *sustainability-related link* dimension. This means that the employees create meaningful relationships within the organization. The link and fit dimensions together result in sustainability-related job embeddedness, so the employee feels integrated and has a sense of belonging, which in turn positively influences retention. Further, employees perceive *organizational obligations* related to sustainability that are coming from their *internalized sustainability-related values* and certain *non-negotiables*. By meeting these obligations, companies can fulfill their part of the sustainability-related contract, again increasing retention. *Credible sustainability engagement* and *strategic integration and alignment of sustainability* demonstrate a genuine commitment to sustainability, enhancing the retention of ESSVs. Lastly, employees need to develop a certain *tolerance for sustainability-related personal and corporate realities* to endure a deviation from their ideals. Having this resilience will increase their retention.

All in all, this study explored the sustainability dimension in retention. The significance of this study will likely only increase in the following years with the rise of Generation Z, which is more environmentally conscious than previous generations. Therefore, the emerging grounded theory model does not claim to be finalized or completed at all – the opposite is the case: it should only serve as a starting point for extant research on how to make organizations more sustainable to retain employees more effectively. This way, the research hopefully contributes to more sustainable organizations and, thus, a better world that all future generations get to enjoy.

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# Appendix

## Appendix I: Call for Help



Available under: https://www.linkedin.com/posts/miriam-peckart_call-for-help-dear-network-im-currently-activity-7186672777054027776-RF_8?utm_source=share&utm_medium=member_desktop

**Appendix II: Complete Interview Guideline**

*Introduction*

Thanks a lot for participating in my research. The goal is to identify which and how organizational factors can help to retain employees with strong sustainability values. Before we begin, I want to assure you that your participation in this interview is entirely voluntary, and any information you share will be treated with the highest care. Your responses will be anonymized, and no personal identifiers, such as names, company names, or specific job titles, will be included in the final analysis. Additionally, with your consent, I will record the interview and use quotes from it in the final thesis version. These quotes will be anonymized and presented in a manner that ensures that nothing can be traced back to your person. If you have any concerns or preferences that certain information is not included, please let me know. Is this alright for you?

*Personal Introduction and Motivation*

1. Please tell me a bit about yourself.
2. What is your educational background? What is your role in your company?
3. What does your current company do? What is the core business?
4. Why is sustainability an important value to you?
5. How do you understand sustainability in a corporate context?

*Choice of Current Employer*

6. How did you come to the decision to join your current company?
7. Were sustainability considerations part of the decision-making process? If yes, what were they and how important were they to you?

*The Work Environment*

8. Now that you are working there, what is your company's positioning and engagement in sustainability and sustainability initiatives?
9. What is your opinion on this engagement? Are they doing enough, or should they engage more?
10. What do you expect from your employer regarding corporate sustainability engagement? What else beyond the current engagement you have already mentioned would you like to see?
11. What specific sustainability initiatives or practices within your organization do you find most meaningful or impactful?

12. How does the company communicate its sustainability efforts to the employees? Could you provide an example?

13. Does your current job allow you to work towards sustainability? In what ways? Is that/would that be relevant for you?

14. Can you describe any specific tasks or responsibilities in your role that directly contribute to the company's sustainability goals or initiatives?

15. Which role does your leader or fellow colleagues play in the context of sustainability?

16. How do you perceive the relationship between your personal sustainability values and your employer's sustainability efforts?

17. Have you experienced any frustrations or obstacles regarding the alignment of your personal and corporate sustainability values?

    a. If yes: How have they impacted your commitment to the organization?

### *Employee Retention and Sustainability*

18. Now, I would like to shift the focus a little bit toward your decision regarding certain employers. Under what conditions related to sustainability would you find it unacceptable to work for a company?

19. Have you ever left or considered leaving a company for sustainability reasons?

    a. If interviewee has only considered leaving:

        i. What caused your doubts about staying with the company?

        ii. Why did you stay in the end?

        iii. What would a company need to do to really make you leave?

    b. If the interviewee actually left:

        iv. Could you walk me through your decision to leave the company? When and why did you start considering it, and what was the process like for you?

        v. What gave you the final push to leave the company?

        vi. What would have been necessary to prevent you from quitting? What would have been required to increase your commitment to stay?

    c. If the interviewee has not considered leaving and has not left:

        vii. Different studies found that some people quit for climate-related reasons. Is that plausible for you?

        viii. What would have to happen within a company for you to consider leaving due to sustainability reasons?

*Closing Remarks*

20. Having talked about all this now, what do you think are the most important factors for companies to implement if they want to retain employees with strong sustainability-related values?

21. Is there anything you would like to add? Did I forget anything?

## Statement of Academic Integrity

I hereby confirm that this Master's thesis is the product of my own independent work, and that I have acknowledged all quotations from the published or unpublished work of others or the ideas of other authors by marking them in an appropriate manner at the proper place within this work, and that I have not submitted my Master's thesis for any other examination. I am aware that making a false statement will have legal consequences.


Enschede, 20.08.2024


*Miriam Peckart*
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Miriam Peckart