When Do Organisational and Individual Investments in Career Development Really Pay Off? The Effects of Societal Culture

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Introduction

• The new careers model suggests a joint responsibility between organisations and employees in terms of career development.

• Organisations and individuals thus face difficult decisions regarding how much reliance/emphasis to place on supportive organisational practices (organisational investments in HRD), and how much on career self-management (individual investments).

• One significant part of this dilemma from an international perspective – for MNCs and internationally mobile employees – concerns where the emphasis should be in different parts of the world where expectations and norms about careers, career development and the roles of different stakeholders are likely to vary considerably.
Intended contributions

- This study seeks to increase our knowledge of
  
  (i) organisational versus self-career management as predictors of subjective career success,
  
  (ii) the inter-relationships between these investments (i.e. do they act as complements or substitutes) and their combined roles as predictors of subjective career success, and
  
  (iii) the extent to which organisational and self-career management predict subjective career success across national cultural contexts.
Model

Country context
- Cultural dimensions (GLOBE)
  - Individualism
  - Power Distance
  - Uncertainty Avoidance
  - Performance Orientation

Career Self-Management
- Enacted Managerial Aspirations (EMA)

H3a

Organisational Career Management
- Perceived Organisational Investment in Employee Development (PIED)

H2

H3b

Career Success
- Subjective Career Success (achievement)
  - Financial Achievement
  - Work/Life Balance

H1a

H1b
SCM and subjective career success

- A form of proactive person-environment fit behaviour (Parker & Collins, 2010), career self-management can be viewed as attempts to promote one’s career instead of adopting a passive stance and taking the career situation as given (Seibert et al., 2001).

- We focus on **Enacted Managerial Aspirations**: an individual’s behavioural proactivity in career planning, skill development, and consultation with more senior personnel (Tharenou & Terry, 1998).

- **Human capital theory** (Becker 1964):
  - Individual achievements are the result of individuals’ abilities and investments in education and training. There are few/no barriers to career mobility since individuals control the investments that determine their careers.

**H1a:** SCM (in the form of Enacted Managerial Aspirations) is positively related to subjective career success (financial achievement & work/life balance).
OCM and subjective career success

- Organizational career management (OCM) practices – ‘activities undertaken by the organization in order to plan and manage the careers of its employees’ (De Vos et al., 2009: 58).

- We look at *Perceived Investment in Employee Development* (PIED) – employees’ assessment of their organization’s commitment to help them identify and obtain new competencies (Lee & Bruvold, 2003).

- Organisational investments in training and education are higher than those a single individual can afford, and organizations invest primarily in individuals they believe have the potential to grow into leadership positions (Rosenbaum, 1984).

- *Psychological contract & social exchange theory* (Blau, 1964; Kuvaas & Dysvik, 2009; Kraimer et al., 2011)
  - Employees reciprocate towards their employer with beneficial attitudes and behaviours stemming from PIED that signal trust and a long-term perspective.

**H1b:** *OCM (in the form of PIED) is positively related to subjective career success (financial achievement & work/life balance).*
Moderating role of PIED on EMA \(\rightarrow\) subjective career success

- Some research suggests CSM and OCM act as substitutes (Sturges et al., 2000; de Vos et al., 2009)
  - Individuals engage more in CSM when OCM is perceived as lacking or insufficient (‘safety net’), i.e. a lack of OCM creates a perceived need for CSM.

- However, we predict they will act in complementary (Orpen, 1994; Sturges et al., 2005) or reinforcing (Sturges et al., 2002; Verbruggen et al., 2007) ways.
  - Greater CSM will be accompanied with greater OCM as ‘part of the deal’
  - Levels of CSM and OCM will rise (and fall) together in line with career management being seen as a ‘joint responsibility’
  - OCM can increase an individual’s self-efficacy in managing one’s own career
  - Those active in CSM see more opportunities to exploit OCM as well as being better at exploiting it.

**H2:** PIED moderates the relationship between EMA and subjective CS such that when PIED are high, the relationship between EMA and subjective CS is stronger.
Moderating effect of culture: culture ‘fit’

• Individualism
  o People more willing to do things to advance their careers even if those actions involve some social cost; lower expectations for and reliance on organisational career investments.

• Power Distance
  o There is more guidance and acceptance of guidance by hierarchically higher superiors in cultures with high PD; therefore less individual agency, more reliance on the organization.

• Uncertainty Avoidance
  o Where high, employees prefer to be told what to do; prefer leadership styles that promote planning, career stability, formal rules and the development of expertise.

• Performance Orientation
  o Exists a premium on striving forward, such that people will be relatively more ambitious and do more re. CSM; Higher assertiveness and sense of ownership of one’s career.

H3a: *Culture moderates the relationship between EMA and subjective CS such that individuals from cultures that are low on Individualism/ high in PD/ high in UA/ low on Perf. Orientation, the relationship between EMA and subjective CS is weaker.*

H3b: *Culture moderates the relationship between PIED and subjective CS such that individuals from cultures that are low on Individualism/ high in PD/ high in UA/ low on Perf. Orientation, the relationship between PIED and subjective CS is stronger.*
Method

- **Sample**: N = 10,462
  - 19 countries from 9 GLOBE cultural clusters (Argentina, Austria, Finland, Germany, Greece, India, Italy, Japan, Mexico, Norway, Nigeria, Pakistan, Portugal, Russia, Serbia, Slovenia, S. Korea, Switzerland, USA), 3 of these did not have cultural indicators in GLOBE
  - Cross-section of the working population (min. 307 per country)
  - Excluded: Self-employed

- **Dependent variable**: subjective career success (achievement)
  - In regard to this career aspect, I have achieved a level I am happy with:
    - **Financial Achievement**, e.g. "steadily making more money"
    - **Work-Life Balance**, e.g. "having time for non-work activities"

- **Independent variables**:
  - **Enacted Managerial Aspirations**
  - **Perceived Investment in Employee Development**

- **Cultural context variables**:
  - Based on GLOBE (values category): In-Group Collectivism, Power Distance, Uncertainty Avoidance, Performance Orientation.

- **Control variables**:
  - Subordinates (Y/N), Organisational size, Gender, Age, Education, Organisational tenure, Job tenure
Analysis

• Multivariate OLS regressions in SPSS

• Analyses were performed using two analytical strategies:
  o HYP TESTING: A pooled sample strategy (using all data to estimate a single model),
  o POST-HOC: A separate country-by-country strategy (estimating models for each country),

• For testing cultural context moderation effects we created 4 dummy variables by splitting the list of countries from the highest to the lowest scoring country in two groups: HIGH and LOW per each cultural dimension. These newly created variables were then introduced in the models separately as moderators.
Results [I]

H1a: CSM (in the form of Enacted Managerial Aspirations) is positively related to subjective career success (financial achievement & work/life balance). **SUPPORTED**

H1b: OCM (in the form of PIED) is positively related to subjective career success (financial achievement & work/life balance). **SUPPORTED**

- The effect of PIED on CS is generally stronger than EMA in most countries
- EMA significant and negatively related to WLB in some countries (Austria, Finland)

H2: PIED moderates the relationship between EMA and subjective CS such that when PIED are high, the relationship between EMA and subjective CS is stronger. **PARTIAL SUPPORT**

- No support for Financial Achievement
- Narrow support for Work-Life Balance (std. β .019, p = .054)
H3a: *Culture moderates the relationship between EMA and subjective CS such that individuals from cultures that are low on Individualism/ high in PD/ high in UA/ low on Perf. Orientation, the relationship between EMA and subjective CS is weaker.* NOT SUPPORTED

- The opposite!
- For both measures of CS, the effects of EMA on CS is stronger in cultures high in PD/ high in UA/ low on Perf. Orientation.

H3b: *Culture moderates the relationship between PIED and subjective CS such that individuals from cultures that are low on Individualism/ high in PD/ high in UA/ low on Perf. Orientation, the relationship between PIED and subjective CS is stronger.* PARTIAL SUPPORT

- For Financial Achievement
  - LOW INDV: Supported
  - HIGH PD: Supported
  - HIGH UA: Not supported
  - LOW PO: Supported

- For Work-Life Balance
  - LOW INDV: Not Supported
  - HIGH PD: Supported
  - HIGH UA: Not supported
  - LOW PO: Supported
Limitations

• Culture vs. institutional arrangements
• Cross-sectional data; potential for CMV
• No weighting performed
• Relatively small effects and $R^2$s in most models
• Measurement error was not estimated (manifest variables were used in the analyses).
Conclusion

- First study to survey more than two countries concerning the effectiveness of individual and organizational career investments and to take into account financial achievement and work/life balance as subjective career success measures.

- Investments in CSM (EMA) and OCM (PIED) both independently support feelings of career success; PIED more so than EMA
  - Organisations (PIED) appear to have greater influence over an individual's feelings of career success, almost irrespective of country.

- These investments can complement one another (WLB), but not always (FinAch)
  - Echoes mixed findings in prior research (Sturges et al., 2002; Verbruggen et al., 2007; De Vos et al., 2009)
  - Some clues may lie in country-specific findings:
    - Complementary in Austria, India, USA; Substitutes in Mexico (Fin. Achievement)
    - No significant interactions in any of the 19 countries for WLB

- Culture’s effects on EMA->CS: counter-cultural advantage!
  - In cultures we would expect that are less supportive of CSM for subjective CS, we see more beneficial effects from individual career investments

- Culture’s effects on PIED->CS: broad support for culture fit
  - In cultures we would expect that are more supportive of organisations and supervisors taking more prominent roles in career management, OCM (PIED) has more beneficial effects.