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Sharing older workers among organizations: a vignette study investigating organizational, relational and task characteristics

Ferry Koster, Hendrik Koppejan

ABSTRACT

With the aging of the workforce, organizations are face with the question how to ensure the employability of their older workers. To date, most of the research focuses on internal policies and practices (training, work load reduction, and so on). This study explores an external option, namely hiring older workers from other organizations and sending older workers to another organization. Based on theories about cooperation between organizations, four hypotheses are formulated (about characteristics of the organizations, the task of the worker and the relationship between the organization). These hypotheses were tested using a vignette study. Evidence was found for three main conditions for the willingness to hire and send older workers, namely: absorptive capacity, measurable tasks, and trust between organizations.

KEY WORDS

inter-organizational cooperation, prisoner's dilemma, absorptive capacity, task measurability, trust, network size

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1 INTRODUCTION

Employability has a central place in discussions about the labor market and the human resource policies of organizations (McQuaid & Lindsey, 2005). There are several reasons for the increasing attention for employability, such as a shortening of time that employees spend at the same organization, increased job insecurity and the replacement of jobs through the introduction of robots in the workplace (Frey & Osborne, 2013; Koster & Fleischmann, 2017). At the same time, in many countries the workforce is aging, as a result of two developments, namely (1) a demographic change of greying coupled with decreasing numbers of younger workers; and (2) government decisions aimed at prolonging the careers of people. As a result, attention for what organizations, workers and governments can do to ensure that people are able and willing to stay in the workforce has been growing (De Grip, Van Loo & Sanders, 2004).

Prior research of human resource practices aimed at prolonging the careers of older workers mainly focused on the development of human capital of older workers through training and education and decreasing their workload (Picchio & Van Ours, 2011; Fleischmann, Schippers & Koster, 2015). These options are internally oriented as they focus on what the options are within a single organization. Nevertheless, organizations can also opt for external ways to increase the employability of their workforces (Gardner, 2005). Among such external human resource policies is the creation of ties with other organizations and to exchange workers between organizations. There are several advantages for doing that. First, it is a means to increase the human capital of workers as they have the ability to learn in different workplaces as they perform different jobs. Secondly, it helps organizations to optimize the match between job demand and job supply; if a worker becomes obsolete, for example due to a change in the job structure of the organization, this worker may find employment in another organization that is part of the exchange network, and if an organization is in need of workers with certain skills, they may find them through the exchange network. As such, these exchange networks function as a means to share knowledge among organizations.

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Despite that exchanging workers between organizations has benefits for organizations and workers, there are also risks associated with developing exchange relations with other organizations. For example, the costs may be higher than the benefits, it may be time consuming, valuable resources and information may move to other organizations, other organizations in the network may act opportunistically, and so forth (Pouwels & Koster, 2017). These risks stem from the cooperation problem between organizations resulting from the prisoner's dilemma situation in which they act (Axelrod 1984). Hence, additional mechanisms need to be in place to ensure that organizations are willing to participate in such exchange networks with other organizations.

In this study we examine a number of these mechanisms and investigate whether they explain the likelihood of exchanging workers between organizations. Both sides of the exchange are investigated: hiring workers from other organizations as well as sending workers to other organizations. We apply a vignette study to study how the mechanisms are related to the intention to participate in an exchange network. A vignette study is a semi-experimental design in which conditions are randomly assigned to respondents (Alexander & Becker, 1978). A major advantage of this approach is that it allows investigating whether and how these conditions affect the choices that actors make. In this particular study, the actors are (human resource) managers making decisions regarding the hiring and sending of workers. These data are used to test four distinct hypotheses about conditions favoring the exchange of older workers.

2 THEORETICAL FRAMEWORK

Sharing workers among organizations is not a very common part of the literature on human resource practices. Instead, a large share of the human resource management literature focuses on the internal policies and practices that organizations apply to create a fit between individuals and the organization (e.g. Huselid, 1995; Koster, 2011). Certainly, recruitment and selection are among the instruments that organizations use to attract new personnel. While this requires that organizations look beyond their boundaries, this is something different than creating ties with organizations to exchange workers. Establishing such ties means collaboration closely with other organizations, whereas selection requires only one organization that tries to find external human capital.

The more general literature about inter-organizational relations and cooperation (Dodgson, 1996; Haunschild & Miner, 1997; Ahuja, 2000; Inkpen & Tsang, 2005; Easterby-Smith, Lyles & Tsang, 2005), which usually focuses on matters such as collaboration between organizations to develop new products and services, provides insights that are relevant for the exchange of workers between organizations. Theoretically, such collaborations can be analyzed as a game-theoretic problem. Organizations exchanging knowledge and workers find themselves in a prisoner's dilemma situation (Axelrod, 1984): while both organizations may benefit from the exchange, the structure of the game may withhold them from cooperation. The benefits include an increase in the stock of knowledge of the organizations (as experiences and skill from outside the organization become available) as well as an improved use of human capital (as worker move from one organization to another, the job-person fit may improve, meaning that workers are better able to perform in their job). Nevertheless, there is a downside to opening up the organization to outside forces. For example, the organization may lose valued knowledge (which was developed within the organization) and individuals that are regarded core workers may choose to work elsewhere. Hence, organizations may want to shield off their stock of knowledge and binding workers to their organization, which Becker already noted when he developed the idea of human capital and why organizations would be interested in investing in it. One of the main reasons is that future interactions are needed between the organization and the worker for these investments to pay off (Becker, 1964). This can, again, be framed as a prisoner's dilemma: while the organization and the worker both are better off if there are investments in human capital, the tendency may be to underinvestment.

While many cooperation problems resemble the structure of a prisoner's dilemma (Axelrod, 1984), a bulk of research is now available showing that actors can solve these problems if certain conditions are met (see for example Kollock, 1998 and Nowak & Highfield, 2011). The present study examines a number of these conditions, by focusing on (1) organizational characteristics, (2) characteristics of the task, (3) characteristics of the relationship between the sending and receiving organization and (4) the network in which the organizations operate. Each of these characteristics may solve a part of the prisoner's dilemma. First, if organizations are better able to find the right – cooperative – partner for the exchange, the exchange becomes less risky (Nooteboom, 2000). Second, if there is enough clarity about the tasks to be performed, there is less uncertainty associated with the exchange (Cable & Shane, 1997). Third, if organizations already have a trusting relationship with each other, there is more positive information about the motives and actions of the other organization, decreasing the likelihood of opportunistic behavior of the other organization (Gulati, 1995). And, fourth, the likelihood of opportunistic behavior is larger, the smaller the number of potential exchange partners, as transaction cost theory would predict (Williamson, 1991; Vanhaverbeeke, Duyster & Noorderhaven, 2002).

Given that there are different aspect associated with the exchange of older workers among organizations that may increase or decrease the likelihood of cooperation as the presence or absence of the above conditions can vary, the analysis does not focus on a single condition, but will investigate to what extent they matter in this specific prisoner's dilemma situation (Easterby-Smith, Lyles & Tsang, 2005; Van Wijk, Jansen & Lyles, 2008). Hypotheses are specified for each of these conditions.

With regard to the ability of organizations to scan their environment and to have knowledge about what they need to perform well, their absorptive capacity is a relevant factor. Absorptive capacity refers to the capability of organizations to recognize the value of the knowledge they need, to process this knowledge, and to apply it in the organization (Cohen & Levinthal, 1990; Nooteboom, 1994). Having this capability helps organizations to have a clear vision about the knowledge they require as well as the kind of knowledge that may be (temporarily) obsolete within to organization. What is more, organizations possessing absorptive capacity may also be better able to estimate what kind of knowledge other organizations require. In terms of the prisoner's dilemma situation, this means that these organizations should be better able to find a suitable partner (both in terms of how valuable the stock of knowledge and people is within that organization as well as in terms of how trustworthy the other organization is) to develop an exchange relationship (Grunfeld, 2003; Gulati, 2007). Hence, the first hypothesis reads as follows.

Hypothesis 1: The likelihood of hiring an older worker from another organization or sending one to another organization is higher, the higher the absorptive capacity of an organization.

The ease with which workers can be transferred from one organization to another is also expected to depend on the kind of knowledge they apply in their work. Tasks can be classified by the extent to which the knowledge that it requires is tacit or not. Tacit knowledge is less easy to measure and monitor since it is embodied in the person (Polanyi, 1958). Furthermore, the more the knowledge is organization specific, the less easily it can be transferred to other organizations. Prior research regarding the transfer of knowledge between organizations also finds that tacit knowledge is less easily transferred (Lam, 1997; Simonin, 1999; Levin & Cross, 2004; Szulanski, Capetta & Jensen, 2004). Tasks that are harder to measure may be vulnerable to cooperation problems, for example because employees act opportunistically (e.g. working less hard than possible), hence increasing the cooperation problem and the severity of the prisoner's dilemma. Exchanging workers performing tasks that are easier to monitor, are more likely to be transferred than those doing tasks that are difficult to measure these exchanges are less vulnerable to cooperation problems (Adler, 2001). This argument leads to the next hypothesis.

Hypothesis 2: The likelihood of hiring an older worker from another organization or sending one to another organization is higher, the higher the measurability of the task of the worker.

Network theories emphasize that the relationships between organizations matter for understanding their level of cooperation, as they can be a condition solving the prisoner's dilemma (Raub, 2017). These relationships can create trust through learning and control mechanisms. And, in turn, trust relationships between organizations are a solution to cooperation problems between organizations (Rooks, Raub, Selten & Buskens, 2000). To a certain extent, these trust relations develop over time between organizations. This solution to the cooperation problem focuses on the dyad between two parties (Koster & Sanders, 2007). However, these dyadic relations can in turn be part of a larger network. And, research shows that third party relationships also matter for the creation of trust. Being embedded in a network, having the possibility to share knowledge among organizations, further strengthens trust relations (Granovetter, 1985; Gulati, 1998). Therefore, a trust hypothesis is posed.

Hypothesis 3: The likelihood of hiring an older worker from another organization or sending one to another organization is higher, the higher the level of trust in the other organization.

A fourth mechanism that was found to matter in earlier research on inter-organizational relations and that focuses on the dynamics between organizations (Easterby-Smith, Lyles & Tsang, 2005), concerns the size of the exchange network. As was found in prior studies, the size of the exchange network matter because of the extent to which it allows for opportunistic behavior to occur. Transaction cost theory (Williamson, 1991) argues that the more parties are dependent on each other and do not have an exit-network increase chances of opportunistic behavior. On the other hand, this means that the larger the network is, the less dependent organizations are on a single partner, and hence they have more options to choose from. Besides that, the larger the network becomes, the more possibilities there are to find a match (Gulati, 1997). Hence, the last hypothesis states that the size of the network matters for the exchange of older workers.

Hypothesis 4: The likelihood of hiring an older worker from another organization or sending one to another organization is higher, the larger the exchange network of the organization.

3 DATA AND METHOD

The data for this study were gathered using a vignette study (Alexander & Becker, 1978; Hughes, 1998). In a vignette study, respondents read information about a certain choice situation (in this particular study, about sending and receiving workers). The description of the situation is the same for all respondents. By randomly varying conditions (in this case information about the other organization, the type of work, and the relationship with the other organization), it is possible to investigate how these conditions affect the choices of respondents. By randomizing the conditions, different situations are created. As a result, it is possible to assign several vignettes to one respondent. In this study, respondents were asked to read and rate 8 different vignettes (4 regarding the hiring of a worker and 4 about sending a worker to another organization). Respondents were approached via the professional network of the researchers: people were invited to participate through email and LinkedIn connections. An important restriction for participating in this study was that the respondent should be active as a line manager or a human resource manager within an organization. This restriction was placed to be sure that people participated who have knowledge and experience with managing people within organizations. While this strategy does not lead to a random selection of (human resource) managers, this may be less of a problem in a vignette study. The intention of the present analysis is not provide an estimate of how the average manager would deal with the situation at hand (which would require a random sample of the population), but to find out whether the exchange of older worker depends on the four characteristics hypothesized above. By randomly assigning these conditions to the respondents, the analysis allows to investigate these effects. In total 73 managers participated in this study, which amount to 584 completed vignettes.

The vignettes are developed in a number of steps. In the first stage of the research, a rough set-up was created using theoretical insights, as well as experiences with previous vignette studies and information from informal interviews with managers. This set-up was discussed with a panel of 5 researchers who were all working on topics relating to the employability of older workers. These researchers have knowledge about the topic of interest (sharing older workers) as well experience with vignette studies. Their input was used to further develop the vignettes. Finally, a test was run with 5 people to see whether they understood the situation and the conditions. This final step led to some small changes in the wording of the vignettes and the conditions (mainly by further simplifying the descriptions). To be sure that the participants understood the vignettes and the conditions, all of them have been operationalized in "layperson" terms; theoretical terms have been not been used (see table 1 and 2 for details).

3.1 DESCRIPTION OF THE SITUATION

Two different situations are described. First the respondents received the situation about hiring older workers. After completing these vignettes, they read the situation about sending one of their older workers to another organization. In other words, two sides of the prisoner's dilemma are investigated and it is examined whether different considerations play a role here. The precise descriptions are shown in table 1.

Table 1: Description of the two situations

<p>Situation: Hiring older workers to another organization</p> <p><i>Try to imagine the following situation:</i></p> <p>You are a manager at organization Y. And like many organization, you aim at increasing the employability of older employees in the organization. There are different ways of achieving that. Hiring workers from other organizations for a fixed time is one of these options as it enables the older workers to learn new things at a different workplace. At the same time, your organization may benefit from this since it acquires new knowledge. Hiring a worker from another organization may be risky, since you do not know how much the worker will contribute to your organization.</p>
<p>Situation: Sending older workers to another organization</p> <p><i>Try to imagine the following situation:</i></p> <p>You are a manager at organization Y. And like many organization, you aim at increasing the employability of you older employees. There are different ways of achieving that. Sending your workers to another organizations is one of these options as it enables the older workers to learn new things at a different workplace. The other organization (organization X) may benefit from that because they receive an experienced worker that can contribute to the stock of human capital within that organization. At the same time, sending the worker to the other organization may be risky, since you do not know how discrete the receiving organization deals with confidential information that the worker may possess.</p>

VIGNETTE CONDITIONS

After reading the description of the situation, the respondents read the (randomly selected) vignette conditions. These conditions reflect the absorptive capacity of the organizations, the measurability of the task, the dynamics of the organization, and a control condition (size of the organization). The measures of the conditions are reported in table 2. Since there are some small differences between the wording of the sending situation and the receiving situation, both are reported.

Table 2: Overview of the conditions

Variable	Conditions	Description on the vignette (hiring)	Description on the vignette (sending)
Absorptive capacity	High	The capability of your organization to estimate which knowledge is needed is high.	The capability of your organization to recognize valuable knowledge is high
	Low	The capability of your organization to estimate which knowledge is needed is low.	The capability of your organization to recognize valuable knowledge is low
Measurability of the task	High	The output of the employee is easy to measure	The output of the employee is easy to measure
	Low	The output of the employee is not easy to measure	The output of the employee is not easy to measure
Trust in the other organization	High	From other organizations you received positive information about organization X	From other organizations you received positive information about organization X
	Moderate	You do not know other organizations that know organization X	You do not know other organizations that know organization X
	Low	From other organizations you received negative information about organization X	From other organizations you received negative information about organization X
Number of exchange partners	Many	Your organization has a large number of ties with other organizations to hire employees from.	Your organization has a large number of ties with other organizations to send employees to.
	Little	Your organization has a few ties with other organizations to hire employees from.	Your organization has a few ties with other organizations to send employees to.
	None	Your organization has no ties with other organizations to hire employees from.	Your organization has no ties with other organizations to send employees to.

CONTROL VARIABLES

Several control variables are added to the analyses. These control variables are situated at the vignette level and the individual/organizational level.

CONTROL VARIABLE VIGNETTES

The variable organizational size is measured by adding that the respondent works for a small organization (defined a less than 10 employees) or a larger organization (defined as 10 or more employees). The rationale about this is that the tendency to hire or receive workers may be lower in smaller organizations.

INDIVIDUAL CONTROL VARIABLES

The respondents answered a number of questions about individual characteristics and characteristics of their organization. *Gender* is measured as male (0) and female (1). Educational level is measured by asking the respondent about the highest *level of education* completed, ranging from (1) basic schooling to (7) university degree (recoded into three categories, namely low, medium and high), *organizational size* was measured by asking how many employees work for the organization, the frequency of contact with older worker that the respondent has (ranging from 1 = daily to 5 = almost never). *Perceptions about older workers* was measured by asking to what extent respondents agree with the statement that workers become less productive as they grow older (1 = completely disagree and 9 = completely agree) (Loretto & White, 2006). Finally, respondents were asked whether they could identify with the two situations (ranging from 1 not at all to 9 completely).

DEPENDENT VARIABLES

After reading the vignette situation and the conditions, respondents are asked to rate on a scale from 1 to 9 whether they are prepared to hire the employee from the other organization (or to send the employee to the other organization, depending on the vignette situation they read). This measure runs from “not likely at all” (1) to “very likely” (9).

3.2 RESPONDENTS

In total, 50 men (68%) and 23 (32%) women participated. Their age ranged from 19 to 61 years (with an average of 40). Most respondents have a higher education (almost 75%). The majority of the respondents (43%) is employed at an organization of 250 and more employees. A large share (70%) of the respondents is in daily contact with older workers. Although the respondents are active in different sectors, it was not possible to focus on sector differences too much, given that there are too little respondents in each of the sectors. The average score of the statement whether respondents think that workers become less productive is 4.9. And, the average of the question whether they could identify with the situation described in the vignette is 5.6 (on a scale from 1 to 9).

Since the respondents are from the Netherlands, it may be that institutional and cultural aspects that influence the results. While investigating whether this matters, requires a comparative approach (conducting the research in multiple countries), there is some information about the likelihood of organizations to cooperate (to design, produce or market goods and services) in a comparative perspective. Based on an analysis of the European Company Survey (Koster, 2015), it was shown that organizations in the Netherlands are very close to the average with regard to cooperation with other organizations. On average the mean of organizations cooperating with other organizations is between 59-66 percent, organizations in the Netherlands score between 62-68). Germany scores considerably lower (43-51 percent) and the rate of cooperation is much higher in Finland (84-91). Based on this information, it is assumed that the results provide insight from an average country (with regard to organizational cooperation).

3.3 METHOD OF ANALYSIS

The data are analyzed using multilevel analysis. This method accounts for the nested structure of the data (vignettes are nested within individuals) (Hox, 2002). Since the individual characteristics of the respondents are not independent from each other, OLS regression analysis cannot be applied.

The data are analyzed in a number of steps. First, an empty model (without independent variables) is estimated, which serves as a baseline model. In model 1, the control variables are added. And, the final model includes the vignette conditions that test the hypotheses. The data are analyzed in 3 different multilevel regressions. In the first model (represented in table 3) all responses are combined. Since there is the possibility that people respond differently to the sending situation than to the receiving situation, the multilevel regression analyses are also performed separately for the two situations. The results of these analyses are reported in table 4. The final models intend to investigate whether the vignette conditions affect the two different choices differently.

For each model, the $-2 \cdot \log$ likelihood is calculated. The deviance of the models refers to the difference between the log likelihoods of the models. The deviance is used to estimate whether the model improves after adding the variables. The deviances has a chi squared distribution and the degrees of freedom reflect the number of added variables (Hox, 2002).

4 RESULTS

The model in table 3 starts with investigating whether the control variables affect the choices of the respondents. This is not the case. Adding these variables does not improve the fit of the model (the deviance is not statistically significant) and none of the independent variables is statistically significant. Adding the conditions that test the four hypotheses improves the fit of the model (deviance = 226.12; $p < 0.001$). In the second model reported in table 3, the conditions measuring the hypotheses are added. The absorptive capacity of organizations positively affects the choice to send and receive older workers ($b = 0.34$; $p < 0.05$). The measurability of the task also contributes to the likelihood of sending and receiving older workers ($b = 0.96$; $p < 0.001$). The level of trust is positively related to sending and receiving older workers. If trust is high, the change of sending and receiving older workers is significantly higher than in the moderate trust condition ($b = 1.50$; $p < 0.001$). Furthermore, compared to the moderate trust condition, the no trust condition is significantly lower ($b = -1.22$; $p < 0.001$). The size of the exchange network does not have a statistically significant effect on sending or receiving older workers.

Table 3: Multilevel analyses of hiring and sending combined

	(1)		(2)	
	b	(s.e.)	b	(s.e.)
Individual (level 2)				
Background characteristics				
Gender (1 = female)	-0.34	0.29	-0.35	0.30
Age	0.01	0.13	0.00	0.01
Educational level				
Low (reference)	-	-	-	-
Moderate	-0.01	1.17	-0.24	1.21
High	0.70	1.16	0.46	1.19
Organizational size own organization				
Small (reference)	-	-	-	-
Moderate	0.02	0.40	-0.11	0.41
Large	-0.13	0.35	-0.25	0.36
Contact older workers				
Almost never (reference)	-	-	-	-
Monthly	-0.03	0.38	-0.03	0.39
Weekly	0.42	0.70	0.35	0.71
More than once a week	0.18	0.51	0.01	0.52
Daily	-0.22	0.71	0.16	0.73
Norms				
View of older workers	-0.00	0.07	-0.01	0.07
Vignette control				
Identification with vignette	0.08	0.07	0.04	0.07
Vignette (level 1)				
Organizational size vignette situation	0.32	0.18	-0.20	0.15
Absorptive capacity			0.34 *	0.15
Measurable task			0.96 ***	0.15
Trust in other organizations				
Moderate (reference)			-	-
High trust			1.50 ***	0.18
Low trust			-1.22 ***	0.18
Size exchange network				
Moderate (reference)			-	-
Large			-0.27	0.17
None			-0.01	0.18
Intercept	3.91 **	1.34	4.07 **	1.40
Model fit				
-2*log likelihood		2572.02		2345.90
Deviance	11.81		226.12 ***	
Variance level 2	0.65 **	0.20	0.92 ***	0.21
Variance level 1	4.34 ***	0.28	2.76 ***	0.17

Empty model: -2*log likelihood = 2583.83; level 2 = 0.80*** (0.23); level 1 = 4.37*** (0.27)

* = p < 0.05; ** = p < 0.01; *** = p < 0.001

N = 73 respondents; 584 vignettes

Table 4: Multilevel analyses of hiring and sending separately

	(1)		(2)	
	b	(s.e.)	b	(s.e.)
Individual (level 2)				
Background characteristics				
Gender (1 = female)	-0.18	0.35	-0.52	0.37
Age	0.01	0.02	0.00	0.02
Educational level				
Low (reference)	-	-	-	-
Moderate	0.07	1.40	-0.69	1.52
High	0.75	1.38	0.05	1.49
Organizational size own organization				
Small (reference)	-	-	-	-
Moderate	-0.15	0.48	-0.03	0.52
Large	-0.42	0.42	0.02	0.46
Contact older workers				
Almost never (reference)	-	-	-	-
Monthly	-0.15	0.45	0.12	0.49
Weekly	0.25	0.82	0.38	0.89
More than once a week	0.63	0.60	-0.57	0.65
Daily	-0.06	0.84	0.31	0.91
Norms				
View of older workers	-0.12	0.08	0.12	0.09
Vignette control				
Identification with vignette	0.04	0.09	0.05	0.09
Vignette (level 1)				
Organizational size vignette situation	0.12	0.19	0.17	0.21
Absorptive capacity	0.41 *	0.19	0.27 *	0.20
Measurable task	1.35 ***	0.19	0.44 ***	0.20
Trust in other organizations				
Moderate (reference)	-	-	-	-
High trust	1.16 ***	0.19	1.51 ***	0.25
Low trust	-1.47 ***	0.23	-0.92 ***	0.24
Size exchange network				
Moderate (reference)	-	-	-	-
Large	-0.13	0.22	-0.26	0.24
None	-0.19	0.23	0.07	0.25
Intercept	3.94 *	1.62	4.38 *	1.75
Model fit				
-2*log likelihood	1121.68		1163.41	
Deviance	165.33 ***		87.38 ***	
Variance level 2	1.18 ***	0.29	1.40 ***	0.34
Variance level 1	2.02 ***	0.19	2.32 ***	0.22

Empty model hiring: -2*log likelihood = 1293.74; level 2 = 1.43*** (0.41); level 1 = 3.93*** (0.38)

Model 1 hiring: -2*log likelihood = 1287.01; level 2 = 1.00*** (0.34); level 1 = 3.90*** (0.37)

Empty model sending: -2*log likelihood = 1260.89; level 2 = 1.54*** (0.40); level 1 = 3.39*** (0.32)

Model 1 sending: -2*log likelihood = 1250.79; level 2 = 1.22*** (0.35); level 1 = 3.40*** (0.33)

* = $p < 0.05$; ** = $p < 0.01$; *** = $p < 0.001$

N = 73 respondents per model; 292 vignettes

Table 4 shows the results for the separate analyses of sending and receiving older workers. Again, the control variables are not statistically significant and therefore the models with the control variables are not reported. The overall pattern is similar: absorptive capacity, measurability of the task, and trust between the organizations explains their willingness to hire and receive older workers. And, in both models, the size of the network does not have an

effect. Comparing the parameters between the models (by adding an interaction between a dummy for “receiving” with the vignette conditions; not shown here), shows that the measurability of the tasks a significantly stronger predictor of hiring an older worker compared to sending an older worker to another organization.

Taken together, these results support hypothesis 1 (absorptive capacity), 2 (task measurability), and 3 (trust between organizations), and hypothesis 4 (size of the exchange network) is refuted.

5 DISCUSSION AND CONCLUSION

In this study four conditions for sharing older workers among organizations were investigated. Sharing older workers is conceptualized as a prisoner’s dilemma in which organizations can choose to cooperate by sharing these workers or to defect by not doing that. The vignette analysis shows that absorptive capacity, task measurability and trust between organizations explain why organizations would be willing to hire older workers from other organizations and to send them to other organizations. These findings are generally in line with more general theories of inter-organizational collaboration and knowledge sharing (Easterby-Smith, Lyles & Tsang, 2005; Van Wijk, Jansen & Lyles, 2008).

Of course, this is not to say that this study does not contribute to the existing knowledge. There are three very specific contributions to the literature. First, these previous studies focused on far more general and strategic issues than the one under study here, namely sharing human resources among organizations. This domain of human resource management is pretty much underdeveloped, largely because most of the research is internally focused and aimed at revealing the human resource practices that contribute to the functioning of organizations and workers. In that sense, this research contributes to completing the human resource architecture, which consists of internal and external strategies to optimize human capital in organizations (Lepak & Snell, 1999). Secondly, and in addition to the first point, this research opens a new way of looking at employability research. This field of research generated a large number of insights concerning the role of employers and workers in increasing employability in the light of ageing societies (Fleischmann & Koster, 2018), but so far, little attention is paid to exchanging workers (rather than firing them). In that sense, the present study breaks ground for a further investigation of external strategies to enhance employability. The final contribution lies in the empirical information that this study generates. Several of the models to which this study refers remain theoretical and have not been (fully) tested. By conducting a vignette study, we were able to investigate the strengths and weaknesses of these proposed models. As we have seen, they hold to a certain extent. Nevertheless, the study also shows that the strength of the determinants of sharing older workers varies. And, while it was expected that size of the exchange network would also matter, this turns out not to be the case. A possible explanation for this is that multiple mechanisms are at work: whereas a larger network is associated with more potential exchange partners, it also means that it leads to more difficulties regarding cooperation between organizations (for example because opportunistic behavior more frequently occurs). If there are indeed to opposing mechanisms at the work, the overall effect is zero. This would need further inspection in a follow-up study.

A distinction was made between the two sides of the exchange network, namely hiring older workers and sending older workers to other organizations. The results show that making this distinction does not really matter as the condition favoring hiring are also the ones contributing to sending older workers. This provides support for the idea that hiring and sending older workers is a matter of cooperation between organizations. The three conditions found in this study provide solutions to potential cooperation problems resulting from the prisoner’s dilemma situation underlying it.

Despite the strengths and contributions of this study, the outcomes should be considered with the following in mind. First, while a vignette study is valuable in finding out whether theoretical conditions work or not, their outcomes should always be complemented with qualitative and quantitative fieldwork to see how the topic under study works in real life. This should for example lead to cases illustrating the findings of this study. Secondly, a larger dataset is needed to give more detail to the findings. It may be that managers from different sectors and organizations respond differently to the vignette conditions, but this could not be tested in this study. Finally, the data were collected in the Netherlands. Beforehand, there is not reason to assume that similar conditions would not apply to other countries. It is, however, possible that their importance varies between countries, for example due to labor market and other institutions. This last point would be a call to researchers in other countries to conduct a similar vignette study and compare the results.

Finally, this article started with the premise that organizations may use external exchange networks to increase the employability of their older workers. The present study shows that this is indeed possible. The outcomes suggests that organizations looking for human resource practices to prolong the careers of their older workers can also look for external options. At least three conditions should be met to facilitate the exchange network: organizations should develop their capability to scan and recognize valuable knowledge, the exchange should focus on particular workers (with measurable tasks) or additional mechanisms should be created, and exchange partners need to spend time and energy in creating trust relations.

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Professional standards as a factor of adaptation of human resources to the industry 4.0: approaches to development and implementation

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ABSTRACT

The aim of the work is to study approaches to the development and implementation of professional standards in order to improve the adaptability of human resources to the Industry 4.0. The article examines the possibilities and problems of qualitative modernization of vocational education based on formation of the national system of qualifications with the use of professional standards. The methodology of development of professional standards is investigated, and recommendations on improvement of this process with the use of competence-based approach are given. The main directions of policy at the macro and micro levels for the development of professional standards that meet the requirements of the labor market of the new industry are determined.

KEY WORDS

human resources, professional standards, vocational education, Industry 4.0, digital competencies

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1 INTRODUCTION

In the modern world there is a trend of a significant change in the paradigm of economic development. The creation and expansion of Industry 4.0 based on the digitalization of the economy, the use of innovative computerized systems and high technologies, increasing the speed of diffusion of innovations and their implementation on a global scale. This changes the economy and society as a whole, creates new opportunities for economic, social and personal development.

Under these conditions, the country's strategic resource becomes human capital, the quality of which, in terms of intelligence, education, and qualification skills, plays a major role in creating a new economy. Its role is due to the fact that the creator and holder of new knowledge, norms and values is a human being whose activity is associated with the creation and dissemination of new knowledge, with the active practical use of specialized knowledge in various sectors of the economy.

The fourth industrial revolution has enormous potential to increase the standard of living of the population, to solve many pressing problems, but it also generates many new problematic issues. Modernization of industrial production, development of new technologies increase the requirements for the quality of the workforce. As a result of the development of technology, there is a significant shift in business models in all sectors, an increase in the rate of elimination and creation of jobs - including new forms of labor - as well as the redistribution of skills within existing jobs. This requires the mobility of human resources on the basis of a qualitative change in the skills of workers and the development of digital culture.

The most important strategic task for the countries developing Industry 4.0 is to identify the needs for professional competencies and their impact on the labor market, as well as the general directions for the development of professional knowledge and skills in the industrial sector. Under these conditions, the most important direction in the qualitative modernization of the vocational education sphere is the formation of a national qualifications system based on applying professional standards.

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The article discusses the possibilities and problems of developing and implementing professional standards. The methodology of development of professional standards is investigated, and recommendations on improvement of this process with the use of competence-based approach are given.

The aim of the work is to study approaches to the development and implementation of professional standards in order to improve the adaptability of human resources to the Industry 4.0.

2 INDUSTRY 4.0 OPPORTUNITIES AND CHALLENGES FOR HUMAN RESOURCES

Industry 4.0 creates a number of new opportunities for the development of human resources, in particular: the growth of labor productivity; reduction of production losses and its rational use due to additive technologies; new opportunities for the placement of industries; moving routine, repetitive and dangerous tasks from human being to machines and robots; combining human resources, machines and algorithms to create the industries of the future. This opens up new opportunities for developing countries due to the general re-shaping of the global labor market and the decreasing role of some limiting factors, such as geographical location, institutional underdevelopment and other similar ones (Craft & Zaytcev, 2017).

However, according to some scientists, the development of industry 4.0 causes many challenges and risks (Schwab, 2016). They will appear in different directions. One of them is the problem of adapting human resources to new conditions and high rates of technological change. Some scientists note the risks of the disappearance of about half of the existing professions in the coming decades, including the most highly qualified (Brynjolfsson & McAfee, 2014).

The massive introduction of new technologies in the industrial and service sectors will cause an unprecedented high level of unemployment (Frey & Osborne, 2013). According to some estimates, as a result of labor automation, the number of jobs will be halved, but according to other forecasts, such a reduction will be much lower - 9% of the current number of jobs (WEF, 2018). More moderate forecasts take into account specific work tasks within the profession, in which significant changes will occur without automation. On average, a third of the skill required to perform current types of work will be fully updated by 2020.

The other side of the problem is that education and training systems that have not developed for decades and lacked investment are now unable to meet new needs. According to "The Future of Jobs" research, 65% of children who are now in primary school will be employed in professions that do not yet exist and for which the education system will not be able to prepare them. This will increase the skills and knowledge gaps as well as the unemployment rate of the future labor force (WEF, 2018). In addition, the training and skills systems of the adult working population, which are poorly developed in most economies of the world, slow the pace of adaptation of the current working-age population of 3 billion people to new conditions.

Speaking of Kazakhstan, it is to the point to note the impending imbalance of competencies in the labor market, which consists in the growth of unemployment, on the one hand, and the lack of qualified personnel, on the other. The analysis showed that the majority of Kazakhstani enterprises are not ready for a full transition to Industry 4.0. According to our research, 84% of manufacturing enterprises and more than 56% of mining enterprises correspond only to the level of Industry 2.0. The analysis identified constraints for the introduction of elements of Industry 4.0. These include the lack of business understanding of the economic benefits of digitalization, limited financial resources, and infrastructural limitations. A special place in this list is the lack of qualified personnel and the weak development of competencies in automation and digitalization. This problem is particularly acute in the regions (Kasymbek, 2018).

The problem of the quality of human resources exacerbated by Kazakhstan's accession to the WTO. Membership in this organization opens up broad prospects for access to the latest technologies, on the one hand, but on the other – there is a need for openness of the labor market, what will significantly increase competition with foreign specialists with higher qualifications for the newly created jobs.

In Kazakhstan, until recently, the system of higher and specialized secondary education mainly focused on public demand, determined by the "fashionable and prestigious" professions. That is, the choice of employment and the specific workplace of graduates and young professionals do not always coincide with the needs of the economy, the requirements of modern life and new labor markets. Therefore, a certain part of graduates of higher and secondary professional institutions experiences difficulties in finding a job, or are not ready for an enterprise requirements.

Modernization of industrial production, development of new technologies increase the requirements for the quality of the workforce. Being an integral component of the country's competitiveness, the quality of the workforce largely determines the efficiency of the implementation of other competitive advantages, in particular, advantageous economic and geographical position, availability of raw materials, favorable investment climate,

etc. Under the conditions of innovative development, constant change of actual popular professions, transformation of the professional image of the economy in a short time, only a mobile professional person can successfully live and work. Accordingly, the education system should be transformed from Education 3.0 to Education 4.0. (Austin & Harkins, 2008). Education 4.0 should integrate knowledge of the real and virtual worlds. (Katharina & Dominic, 2015). This, in turn, will require the introduction of relevant competences in educational standards.

Our assessment of human capital at three levels - macro, micro and individual, showed that each level includes indicators that somehow characterize the educational system. (Chulanova et al., 2018).

Improving the quality and competitiveness of national labor force requires a transition to a new level of quality education. This makes it a priority to develop new approaches to the education and training of specialists, in particular, the universalization of professional skills that are adequate to the demands of the innovation economy, and the improvement of the qualitative characteristics of specialists (Nazarbayev, 2017).

One of the integral elements of the qualitative modernization of the vocational education sphere is the formation of a national system of qualifications based on the use of *professional standards*.

3 THEORETICAL APPROACHES TO THE DEVELOPMENT OF PROFESSIONAL STANDARDS

Professional standards in developed countries act as an effective mechanism for regulating the labor market. Correctly developed professional standards are a reliable reference point for educational standards used in educational institutions in the training of specialists. This is due to the inclusion in them of the requirements for the content of labor at a specific workplace, level of qualification and, consequently, the process and outcomes of education. In this regard, the professional standards are widely used for the recruitment of new employees, as well as in the process of ongoing staff assessment, certification, development of individual career plans, etc.

The study of theory and practice, world experience in the development of professional standards allowed to determine that the use of the basic principles of the *competence-based approach* is important in their development (Rankin, 2005).

The analysis of the special literature shows that currently in the theory and practice of personnel management regarding the competence approach there are two fundamentally different concepts – American and British. Consider the differences between them.

In the United States a behavioral (personal) approach is used, sponsored by David McClelland and his follower Richard Boyatzis, who creatively developed his ideas. Their research focused on studying the behavior of managers whose activities were considered successful. Their point of view was the following: "competence" is "the fundamental characteristic of a person which is causally linked to the effective work" (McClelland, 1961). Later, Mr Boyatzis made the following clarification: "Effective work is the achievement of certain results (success) through certain actions and thanks to the maintenance of a single line of conduct, order of actions and organization conditions" (Boyatzis, 1952). In this case, it is implied that the dominant value for the successful performance of a certain work belongs to the appropriate personality-professional and individual-psychological aptitudes of a person.

In the UK, a functional approach is used to define the concept of "competence," which implies a clear formal description of the requirements for a candidate or employee in a particular job position. In this regard, this term meant a specific set of skills and abilities required for the performance of their official duties, which became known under the name "competence standards". Later they were transformed into "professional standards" (Sofinsky, 2012).

Each of these approaches has its strengths and weaknesses, the consideration of which is not part of the objectives of this study. It should be noted that in most companies these approaches are not used in a "pure" form, which, in our opinion, is quite reasonable. The formal and informal components were present in both described approaches. The difference was in the dominance of one of these components.

In defining the concept of competence, we used a holistic approach, which involves consideration of the phenomena under study in interrelation and interdependence. We defined competence as a set of knowledge, skills and abilities, as well as the composition - necessary to accomplish them – of personal qualities of the employee. Personal qualities largely determine the effectiveness (or non-effectiveness) of his actions and behavioral responses in the process of performing a certain type of work. Hecklau divides competences into four main groups: technical, methodological, social, and personal competences. (Hecklau et al., 2016). Thus, he singles out the personal ones acquired in the process of life experience. This is in line with the opinion of Moravec, who notes that mastering technical skills at a higher level is now part of many educational programs, but social and emotional skills are refined mainly outside of schools and other traditional educational institutions. "A new reality

requires an adaptable, personalized version of education that simply cannot be provided by the current model of broadcast education” (Moravek, 2013).

3.1 DIFFICULTIES IN DEVELOPING PROFESSIONAL STANDARDS IN KAZAKHSTAN

World experience shows that the development and introduction of professional standards is a lengthy and complicated process. This position confirmed by the Kazakhstan practice. Based on the analysis of normative and methodological basis for the development of professional standards in Kazakhstan, we identified two stages, differing in the used methodology and the organization of work. The analysis of the results of *the first stage* (2014-2016) leads to the following conclusions:

- Developed at the first phase the methodological and institutional framework for professional standards designing was imperfect;
- The professional standards developed on its basis do not correspond to the modern achievements of science and world practice in terms of the use of a competency approach;
- The sampling analysis of the professional standards developed in the first phase identified certain errors and omissions;
- The use of only one method of functional analysis in the development of professional standards is inappropriate, since its application does not allow to take into account the set of worker's personal and professional qualities, necessary for him to effectively perform the work functions;
- The process of selecting and training experts, who were responsible for the development of professional standards, was imperfect, as evidenced by errors and failures identified during the analysis.

In addition, methodological and organization, regulatory and legal acts that regulate the composition, structure and procedure for the implementation of professional standards, are not pretested in practice, as is customary in developed countries. As a result, the work connected with this work carried out by the method of "trial and error", which in the conditions of limited budget funds is inadmissible. This led to irrevocable budget losses of about 250 million KZT (1 250 000 USD), as evidenced by the data presented in Table 1.

Table 1: Distribution of funds for the development of professional standards for 2014-2016

Documents and other written materials	2014		2015		2016	
	Number	Amount, Thousand Tenge	Number	Amount, Thousand Tenge	Number	Amount, Thousand Tenge
Ministry of Industry and New Technologies	35	34 349	26	24 287.0	22	41279.0
Ministry of Education and Science	5	5 250	-	-	-	-
Ministry of Agriculture	26	27 300	-	-	5	9146.0
Ministry of Regional Development	8	8 400	Abolished	Abolished	Abolished	Abolished
Ministry of Transport and Communications	31	32 550	-	-	-	-
Ministry of Labor and Social Protection	19	19 950	26	19 607.0	-	-
Ministry of Education and Science	10	10 500	5	2 559.0	-	-
Ministry of Health	25	26 250	Abolished	Abolished	Abolished	Abolished
Ministry of Culture and Information	5	5 152	4	2 900.8	8	15243.0
Agency for Sports and Physical Education	1	1 050	-	-	-	-
Ministry of Economy and Budget Planning	1	1 050	24	25 200.0	2	2370.0
National Space Agency	4	2 685	-	-	-	-
Ministry of Internal Affairs	5	5 250	1	475.0	1	1146.0
Agency for Statistics	1	875	-	-	-	-
Ministry of Justice	-	-	2	879.2	-	-
Total:	176	180 611	88	75 908.0	38	69 184.0

Source: Resolutions of the Government of the Republic of Kazakhstan “On the approval of the distribution and the Rules for the use of funds for the development of professional standards” for 2014, 2015, 2016.

At the *second stage* of the work, the National Chamber of Entrepreneurs together with the interested state authorities started the formation of a new methodological base. This base took into account the principles of competent approach, with the development of a card of professions structured with the allocation of specific knowledge, skills, and corresponding skills for each labor function and relevant personal competencies.

However, as practice shows, in the second phase of development of professional standards has already appeared in the organizational and institutional problems. For example, the new guidelines for the development of professional standards was approved MTSS in July 2016. In October 2016, they had made certain changes and additions. This indicates entrenched in government agencies the practice of “trial” and “error”.

It should be noted that this phenomenon was quite widespread in the practice of state bodies of Kazakhstan, can be described as *organization and institutional dysfunction*. The results of these studies show that its main reason is the lack of personal liability of authorized officers for substandard performance of their duties in the development and implementation of documents.

4 RECOMMENDATIONS ON THE METHODOLOGY FOR DEVELOPING PROFESSIONAL STANDARDS

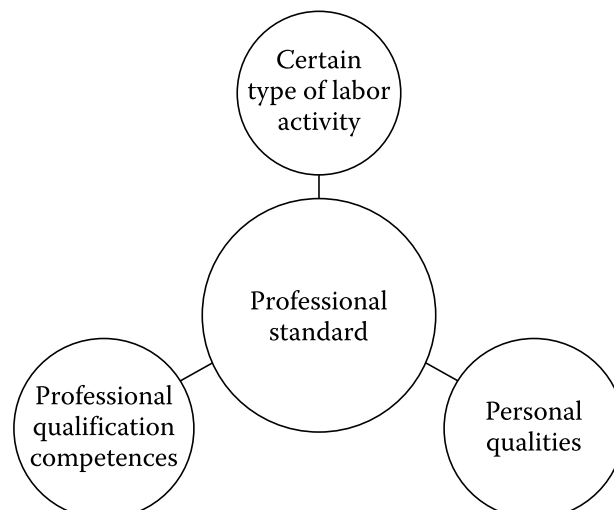
Since the process of development and implementation of professional standards in Kazakhstan is at an early stage, we considered the feasibility of using the approach used in most European countries. Its name “integrated” is due to the fact that the development of professional standards is integrated into the design process of educational standards. In this case, first of all professional standards are developed; then on their basis educational standards and evaluation standards are designed. This approach is successfully used in Germany, France, Austria and other countries. A distinctive feature of these countries is the use of the state model of regulation of vocational education. The greatest successes in its use are observed in Germany, which has one of the most advanced systems of dual education.

The main elements of the professional standard being developed in Kazakhstan using a competency-based approach should be:

- A certain type of work that determines the qualitative composition of knowledge, abilities and skills and a corresponding set of personal and business qualities that ensure its successful implementation;
- Professional and qualification characteristics based on knowledge, experience and developed skills that are acquired in the process of learning and practice. They reflected and confirmed with diplomas and certificates, and called “Hard skills” ;
- Personal and professional qualities that characterize the behavioral responses of the individual in various situations, which in the literature is known under the name of “Soft Skills” (Ivanov, 2010). Some authors call them individual and psychological characteristics. They acquired not only during work but also in everyday life, as well as of the birth. One of them, for example, includes initiative, ability to communicate, establish interpersonal relations, to mobilize, etc.

Thus, the schematic diagram of the elementary model of the professional standard will look as shown in Figure 1.

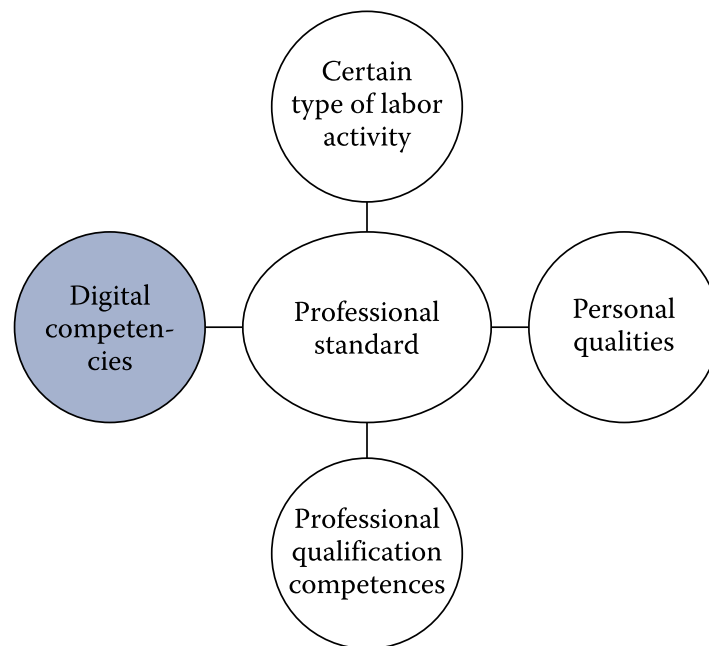
Figure 1: Schematic diagram of the elementary model of the professional standard



As already mentioned, the expansion potential of Industry 4.0 associated with the necessary digital skills to use new intelligent systems and adapt them to future technologies. In these conditions, training in digital competencies is increasingly included in the standard training programs for working specialties, involving work on numerical control machines. Digital technologies also bring changes in approaches to the study of Humanities, focused on the knowledge of the social structure using certain communicative competencies. All this actualizes the intensification of the training of specialists in the field of digital technologies, and not only technical specialties, but also communicative, as well as other areas. This requires the introduction of relevant competences in educational standards.

Accordingly, we propose in the conditions of Industry 4.0 development to introduce “Digital skills” into professional standards as a separate element of digital competence. In this case, the elementary model of the professional standard will look like that shown in Figure 2, which reflects the new quality of human capital at the primary level under digitalization conditions.

Figure 2: Schematic diagram of the elementary model of professional standard in the context of Industry 4.0



Source: Own research

The introduction into Kazakhstani practice the digital competences, which should be reflected in the professional standards, requires the solution of two organically interrelated tasks. The first task of the methodological nature is that: for each type of work (profession, professional group) in addition to the basic professional and personal competencies, as is currently done, it is necessary to determine the appropriate digital competence.

This involves the use of a functional analysis methodology. World theory and practice developed several of its definitions. In practical terms, the following is the most commonly used: “Functional analysis is a method of step-by-step description of hierarchical levels in the field of professional activity used in the development of professional standards.

The algorithm for conducting functional analysis to identify specific functions consists in the sequential determination of elements at different levels of the hierarchy” (Oleynikova & Muravieva, 2011). In our opinion, the above formulation and others like it do not reflect the essence of the method under consideration. In this regard, we propose the following interpretation of the concept.

The method of functional analysis in relation to the development of professional standards is the decomposition of certain types of work into measurable labor functions and actions. The key value in the development of professional standards using this method belongs to the functional map. It reflects labor functions and corresponding labor actions in an orderly hierarchical form. The methods of expert-analytical assessments, analogies and questionnaires are used in the development of the functional map.

The expert-analytical method is based on the study of labor functions by both the employees themselves and the involved qualified experts. This is done in accordance with the goals and objectives defined by the customer. The analysis is carried out, deficiencies are revealed and recommendations on their elimination are developed. The use of this method is most effective in combination with other methods. It is widely used to assess the initial state through a diagnostic study of existing problems and forms of their manifestation.

The method of analogies consists in studying the tools used by other organizations and creatively adapting them to local conditions.

The method of questioning is that as a questionnaire, respondents (respondents) are offered a mockup of a functional map, which contains the following interrelated attributes:

- types of employment;
- labor functions;
- knowledge necessary to perform the relevant functions;
- skills necessary to perform the relevant functions.

In addition, for each job function it is proposed to assess its importance on a four-level scale: very high, high, medium, low. We believe that in order to build a full-fledged digital society in Kazakhstan, computer literacy should cover all segments of the population, including the unemployable part – students, pensioners and socially vulnerable groups of population. For this, it is necessary to develop appropriate *digital profiles of competencies* for certain groups of the population. They should contain the minimum necessary requirements for knowledge and skills in the use of ICT, which should be possessed by wider population. On the basis of these competency profiles training programs are developed for teaching the population advanced information technologies to be used in everyday life.

In this regard, it would be important to open courses for older people, whose computer literacy skills would help them to continue their work, which would have a positive impact on reducing the unemployment of people in this age group. Actively participating in the process of social modernization as carriers of knowledge and experience, this category of workers fulfills the mission of the keepers of the most important spiritual and moral values, providing a link between generations, which is especially important in the light of the spiritual revival of society.

The second task is to improve the existing institutional and organizational framework for the development and implementation of professional standards, the structure of which is shown in Table 2. First of all, it is necessary to provide for the introduction of relevant changes and additions to the guidelines for the development and design of professional standards and other related documents (Ministry of Labor, 2018).

Table 2: Institutional and organizational basis of the system of professional standards

Level of government	Institutional and legal framework	Subjects of management (organizational basis)
Macroeconomic	<ul style="list-style-type: none"> – The Labour Code of the Republic of Kazakhstan – The Law „On the state budget of the Republic of Kazakhstan“ – State program „Digital Kazakhstan“ 	<ul style="list-style-type: none"> – The president, – Parliament, – Government
Administrative	<ul style="list-style-type: none"> – Guidelines for the development and design of professional standards – Rules for the development, maintenance, replacement and revision of professional standards – Strategic plans of interested central and local executive bodies 	<ul style="list-style-type: none"> – Ministry of Labor and Social Protection of the Republic of Kazakhstan – Interested central and local government bodies – National Chamber of Entrepreneurs of Kazakhstan – Industry Councils Research institutes and centers – professional standards developers
Micro level	<ul style="list-style-type: none"> – Orders of heads of enterprises and organizations on the implementation of professional standards 	<ul style="list-style-type: none"> – Heads of economic entities

Source: Own research

At the macro level, policies and the main objectives for their implementation are defined. The main function is to create a framework of conditions defining the legal framework within which the government and the authorized state bodies regulate the process of development and implementation of professional standards.

The average *administrative* level is considered by some scientists as "the sphere of functional management", in which "any activity is analyzed and decomposed into various organizational and managerial components – planning, organization, management, control, and others" (Kozbanenko, 2000). In our opinion, this interpretation is incorrect, since these functions are performed at all levels of management.

At the administrative level, the content of the activities of the authorized state bodies is to perform functions called Executive. They include the definition of a set of measures that are reflected in the regulatory, legal, policy and other documents aimed at the implementation of the policy in the field of development of professional standards in Kazakhstan. The works consist in the development and testing of organizational and methodological support with the subsequent development of professional standards. Then, on their basis, educational programs are developed, as well as curricula for training centers for continuing professional education.

The analysis of institutional and organizational bases of the given structural model consists in assessing the quality of documents for compliance with the methodological and regulatory documents that determine their structure and content. It is also envisaged to evaluate the effectiveness of budget funds allocated for development in conjunction with the quality of provided services.

It should be noted that in countries where a full-fledged institutional and organizational framework has been established, significant progress has been made in the development of a new quality of human capital.

5 CONCLUSION

Industry 4.0 is changing the way workers and labor interact, opening up new opportunities. On the one hand, the rapid pace of technological change is a major challenge for workers, who must adapt to new conditions in a short time. On the other hand, human resources acts as a driver for the transformation of production systems, and human ingenuity and creativity are necessary for the production of the future. This sets the task of adapting the vocational education system to the needs of the new industrialization. As practice shows, modern vocational training requires a competence-based approach. The potential for the expansion of Industry 4.0 is linked to the necessary digital skills to use new smart systems and adapt them to future technologies. Along with basic digital literacy, that is, digital skills and understanding of how to apply them, education must go further, giving students a deep understanding of how to apply and implement technologies so that they can play an active role in shaping the tools of the future. It is vital to ensure that training programs remain relevant, and that teachers have a regular opportunity to improve their own skills and knowledge. Although education systems remain highly dependent on specific realities, there is a common vision of the basic principles and fundamental characteristics that can best cope with the challenges and maximize the opportunities of the Industry 4.0. One of the essential elements of the qualitative modernization of the vocational education sphere is the formation of the national system of qualifications based on the use of professional standards.

The growing pace of technological changes and globalization increases the importance of adapting public policies, education and training systems to today's skills needs. We outlined the main areas of action that will guide policy for universities and private sector in creating an appropriate, adaptable vocational education system that can meet the requirements of the current and future labor market.

Speaking of Kazakhstan, when developing professional standards as a real basis for a system for training in-demand personnel, it is necessary to eliminate existing methodological and organizational problems, namely:

- To introduce the passage of preliminary trials in pilot organizations of methodological and organizational normative legal acts regulating the composition, structure and procedure for the introduction of professional standards in practice, as is customary in developed countries;
- To overcome the practice of making amendments and changes in the process of developing professional standards by the method of "trial and error", which slows down the implementation of the process and is costly in the face of limited budgetary resources;
- To provide for the personal responsibility of persons who develop and approve recommendations in the event that they discover later defects that are subjective in nature;
- To define methods, as well as a set of measures to stimulate the introduction of professional standards at enterprises in the private sector of the economy;
- To make provisions in the Labor Code of the Republic of Kazakhstan obliging organizations with state participation to introduce professional standards developed by the authorized institutions.

It is believed that the implementation of the above conclusions and recommendations will contribute to solving the problems of adapting the system of vocational education to the needs of the new industrialization.

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Assertiveness, perceived importance and communication skills among students and young graduates in Slovenia and FYR Macedonia

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ABSTRACT

Employers consider soft skills, especially ability to communicate, as an important competence, which affects employability and performance at work. At the same time they claim that these skills are insufficiently developed among young college graduates. The results of a survey among students and young graduates in two countries, Slovenia and FYR Macedonia, support this claim, even though young are aware of the importance of communication skills and assertiveness. Results also show that those who learn to communicate at work have better developed skills and therefore business communications training should be incorporated in formal education programs and in on-the-job training.

KEY WORDS

business communication, assertiveness, soft skills, developing communication skills

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1 INTRODUCTION

After finishing school and starting to look for a job, young people face the demand of employers for different knowledge and skills needed to get an employment and perform well at work. In the labour market, soft skills (including communication skills) increasingly gain in importance (Robles, 2012), as they are shown to be even more important than technical skills as most jobs involve working in teams and with customers/clients. Dominko (2011) and Javornik (2010) have largely attributed the success of organizations to good communication. Conrad and Newberry (2011) also argue that studies show that the ability to communicate between employees and superiors is of the utmost importance for achieving work performance. Conrad (2014) firmly believes that poor communication practices cause most of the work problems.

Given the fact that modern jobs can be very complex and that there is a considerable rivalry among jobseekers for the best places, well-developed communication skills have a significant impact on the employer's decision when deciding who should get a certain job. Following a review of the literature on employability factors, Andrews and Higson (2008) classified the skills of oral and written communication as the main factors that increase employability.

Nevertheless, numerous researches report that in general, employers are not satisfied with communication skills possessed by young graduates. For example, Archer and Davison (2008) report that employers consistently rank communication skills as the most important, but only on sixteenth place regarding the actual development of these skills by graduates. Many believe that educational institutions (when developing students' soft skills) do not respond adequately to employers' demands (McKinsey, 2014). It seems that education programs providers, as well as students (and other learners), do not pay enough attention to these topics, although they should be included in educational programs (Andrews & Higson, 2008). In particular, communication skills are rarely taught. The common belief is that it is enough if communication is learned spontaneously, in the process of socialization, in the family, between peers and friends, etc. Even at school, communication is a peripheral companion in the

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learning process, since it is only rarely conceived as an independent subject or research field. Even within business schools programs, often too much attention is devoted to theory and abstract knowledge, while lacking of useful knowledge and skills (Pfeffer & Fong, 2002).

Based on our opinion, the first step towards improving the situation is an increase in the level of awareness of the importance of business communication for successful work and increased employability, which is also the main purpose (contribution) of this paper. We are addressing the students' and young graduates' perceived importance of communication skills, as well as their actual development. At the same time, we analyse how assertive they are, since assertiveness is one of the key communication skills (Van Bommel, 2003). We also analyse the connection between assertiveness and the perception of the importance of communication. After a brief review of the literature, we present the results of the research among students and young graduates in Slovenia and Macedonia. The results are followed by the discussion and a set of recommendations on how to: 1) increase students' awareness of the importance of mastering communication skills, 2) how to improve the communication skills of young people, especially in the educational process and at work through HR interventions.

2 THEORETICAL BACKGROUND AND RESEARCH QUESTIONS DEVELOPMENT

Today, young people face many challenges, including unemployment and related employability (ILO, 2013). Employability can be understood as (Hillage & Pollard, 1998): 1) the ability to find the first job, 2) the ability to preserve employment and pass successfully between jobs and roles within the same employer when the requirements for work are changed, and 3) the ability to obtain a new job, if necessary. In this sense, good communication is necessary both in finding a job and working in the organization. This is also confirmed by employers. Within a comprehensive literature review – discussing the importance of communication skills and teamwork through the lenses of different stakeholders (employers and educators) – Tymon (2013) found out that these skills appear virtually in all lists of main skills, which increase employability. This fact gained also international consensus.

Recently, Finch et al. (2016) confirmed that employers consider meta-abilities, including the ability to communicate, as an important component of personality and intelligence, which affects employability and performance at work. It seems that soft skills are becoming more important than expertise (Du-Babcock, 2006). Stevens (2005, p. 3), for example, notes that even high-tech companies from Silicon Valley are increasingly searching for people, who master communication skills, although in principle these companies focus on technological know-how.

The success of business communication depends largely on our knowledge and ability to know how to use different ways of communication, our ability to listen, observe, and the ability to adapt to our interlocutors. Among the most commonly mentioned skills are, for example, active listening, writing of written and oral messages, conducting meetings and business conversations, providing feedback, business negotiations, presentations and public speaking (Bovee & Thill, 2010). With the development of information and communication technology and digitalization, the skills associated with electronic communications and modern devices (Ferrari, 2013; Spitzberger, 2015), such as writing e-mails and short messages, the use of social networks, voice mail, teleconferencing, search and understand information on the web, etc. are becoming more and more important. Moreover, the globalization of business leads to ever-increasing demands for the management of intercultural communication and the knowledge of business etiquette with all international specifics (e.g. Chaney & Martin, 2011; Lazorchak, 2000). Because of all these changes, a set of communication skills is growing and they should be mastered at a higher level of complexity in order to be able to communicate effectively.

Although the importance of skills is increasing, recent graduates, while technologically adept, are deficient in soft skills, necessary for successful interaction with people in day-to-day life (Brody, 2017; Hartman & McCambridge, 2011; Hershatter & Epstein, 2010; Jackson & Chapman, 2012; Meyers & Sadaghiani, 2010; Navarro, 2008; Sahni, 2011). Therefore, in this article, we are interested in the level of mastering and understanding the importance of communication skills among Slovenian and Macedonian students and young graduates. Thus, we have developed the following research questions: RQ1) How do respondents perceive the importance of communication skills?; RQ2) How do respondents evaluate the development of their communication skills, including assertiveness?; RQ3) Do more assertive respondents perceive the importance of business skills and evaluate their skills differently than less assertive students? RQ4) How do demographic characteristics (gender and age) and training in acquiring communication skills influence on actual development of communication skills? RQ5) Are there any differences observed between students/graduates from Slovenia and Macedonia?

¹ Soft skills are defined as an individual's ability to communicate effectively through both written and oral skills, utilizing critical thinking and problem solving skills, and building and maintaining relationships with others (Sahni, 2011).

3 THE RESEARCH METHODOLOGY AND SAMPLE

Empirical research is based on a quantitative methodology, using an online survey as an instrument of research. The survey consists of four sets of closed type of questions. In the first set, respondents evaluated the claims regarding perceived importance of communication skills with a five-level Likert scale (from 1 – Strongly disagree to 5 – Fully agree). The second part of the questionnaire was measuring the degree of assertiveness; for this part a questionnaire developed by Fritchie (1988) is used (see Appendix 1 for items in the questionnaire). The questionnaire measures how often a certain kind of assertive communication is displayed by respondents. In the third part of the questionnaire, respondents assessed the development of their own communication skills using a five-level scale (from 1 – very poorly developed to 5 – very well-developed). This set included 16 skills that are most commonly used in business communication and are also the subject of training in this field (for example: active listening, writing short messages, conducting meetings, business negotiations, intercultural communication etc., see Figure 1 for all the items). The last part of questionnaire included demographic data (gender and age) and questions about how the respondents gained the most communication skills (at school, at home, informally, or at work).

The link with anonymous questionnaire was dispatched among under- and post-graduate students and young graduates (who have already finished university education) in Slovenia and Macedonia based on in-class exercise and through personal contacts. The final sample consists of 83 respondents, 57 from Slovenia and 26 from Macedonia. There were about two thirds of female and one third of male respondents, about half were up to 25 years of age, about a third from 26 to 30, and about 10 % were 31 years or more. The Slovenian and Macedonian samples were very similar with regard to gender, but there were more respondents over 30 years old in the Slovenian sample (9 compared to only 1 in the Macedonian sample).

The obtained data were analysed using descriptive statistics, correlations, t-test and ANOVA for testing differences and calculating correlations between selected variables according to research questions.

4 RESEARCH RESULTS

With regard to our first research question, the respondents' perception of the importance of mastering communication skills was relatively high, with almost a half of responding completely agreeing with the claim that communication skills are very important for young graduates and large majority convinced that they contribute to better employability (Table 1).

Table 1: The perceived importance of communication skills for young graduates

Claim	Claim					Mean	Std. Dev.
	1	2	3	4	5		
For young graduates, mastering business communication skills is very important.	3.6	6.0	4.8	37.3	48.2	4.20	1.03
Mastering business communication skills can help with employment (easier to get a job).	1.2	6.0	14.5	34.9	43.4	4.13	0.96
With the development of the modern communication technologies, the importance of possessing business communication skills fades/ decreases.	13.3	33.7	24.1	19.3	9.6	2.78	1.19
For the business success of an individual - knowledge (professional competence) is more important than communication skills.	6.0	22.9	37.4	25.3	8.4	3.07	1.03
There is higher probability of correct understanding when using electronic communication, instead of interpersonal communication (face to face communication).	14.5	34.9	20.5	24.1	6.0	2.72	1.16

Scale: 1 – I completely disagree to 5-completely agree

Source: Own research

Results regarding the impact of technology on the importance of communication skills are mixed. While about a half of respondents disagree with the statement that new technologies will decrease the importance of communication skills, about a quarter are undecided and a quarter agree. Opinion on whether expertise is more important than the skills of business communication is rather divided between respondents, with the largest group

of undecided and almost equal numbers of agreeing and disagreeing with the statement. With the last statement regarding the probability of correctly understanding of communication, more respondents seem to disagree with the statement that electronic communication would be more accurate than face to face communication.

To answer our second research question, we were first interested in how assertive our respondents are. On the assertiveness test, both Slovenian and Macedonian respondents scored on average 35 points. The distribution of assertiveness levels as they are scored by the author of the questionnaire (Fritchie, 1988) is presented in Table 2. We can see that only 7.2 % of respondents reached the highest level (when we can say that their communication is self-confident and assertive). Almost equal share fall in the second and third categories of assertiveness with 44.6 % who can act assertively in certain situations and 45.8 % of respondents are not consistent in their assertive behaviour. Only two of the respondents from our test fall in the bottom level. Among 20 items in the questionnaire, more than 60 % of respondents can often make product/service complain without being rude to the seller or not being embarrassed when complimenting something (see Appendix 1). Items with the least frequently displayed assertive response were expressing one's opinion without excusing or dominating, speaking calmly in difficult discussions, rejecting a request (e.g. permission to smoke) without bad feelings, and alerting about not being taken seriously without offense and excitement.

Table 2: Levels of assertiveness among respondents

Points	Description of the degree of assertiveness	Number of respondents	% respondents
20-25	Your communication is self-confident and assertive.	6	7.2
26-35	In certain situations, you know how to act assertively, but you need more exercises.	37	44.6
36-50	In your assertive behavior, you are not consistent, and you need to improve this with lots of practice.	38	45.8
50-80	You need a lot of exercises to develop assertiveness.	2	2.4
	Altogether	83	100

Source: Own research

Additionally, respondents also assessed their communication skills that are related to a particular method or activity of business communication (Figure 1). The most developed skills include writing using e-mail, phone communication and writing short messages and these are all skills related to information and communication technology that are in use daily with our respondents. Active listening, team and oral communication, and effective presentations were also self-assessed as rather good. The more business specific skills, such as conducting business talks, leading business meetings and business negotiations, as well as writing of reports were self-evaluated as the worst developed.

With regard to our third research question, the results of the correlation analysis show that those who are more assertive (got lower scores on the test) are more convinced that communication skills are important for young graduates ($r=-0.41$; $p=0.00$) and can help with employment ($r=-0.50$, $p=0.00$). Simultaneously, more assertive respondents also better self-assessed their knowledge regarding active listening ($r=-0.38$; $p=0.00$), oral communication ($r=-0.28$; $p=0.01$), team communication ($r=-0.40$; $p=0.00$), effective presentations ($r=-0.24$; $p=0.04$), public speaking ($r=-0.23$; $p=0.4$), phone communication ($r=-0.33$, $p=0.00$), and nonverbal communication ($r=-0.30$, $p=0.01$).

The fourth part of the analysis deals with the identification of differences in the assessments of the development of communication skills connected with gender, age and previous training in business communication. Regarding gender (t-tests) and age (ANOVA), respondents do not differ in terms of collecting total points of assertiveness or on any single item. There are also no significant differences with regard to respondents' self-evaluation of their communication skills based on gender, and only one difference with regard to age, namely older respondents evaluate cross-cultural communication skills better ($F=3.01$; $p=0.055$).

Figure 1: Development of communication skills (self-assessment)



Source: Own research

We also asked respondents how they mostly learn and develop business communication skills. They had four choices: at school, at home, informally, and at workplace. Most of them responded that they have learned at home (63.1 %), followed by at work (56.1), and about half of them said that they learned business communication in school and through non-formal trainings. The difference between the way communication is learned and assertiveness is only with a few items. Those who learn at school are more often communicating bad news without fear ($r=-0.26$; $p=0.02$) and accept critique constructively ($r=-0.23$; $p=0.03$); those who learn at home are less often asking for help when unsure ($r=-0.24$; $p=0.03$). With regard to communication skills, there are also only a few correlations. Those who learn at work, are better with cross-cultural communication ($r=0.32$, $p=0.00$); writing business letters ($r=0.30$; $p=0.01$), effective presentations ($r=0.30$; $p=0.01$), non-verbal communication ($r=0.29$; $p=0.01$), communicating in a team ($r=0.24$; $p=0.02$), and writing short messages ($r=0.22$; $p=0.04$). Learning business communication at school seems to help learn how to write business letters ($r=0.25$; $p=0.2$).

5 DISCUSSION AND RECOMMENDATIONS FOR DEVELOPING ASSERTIVENESS AND COMMUNICATION SKILLS

The results of our research on the importance of communication skills for young graduates confirm what many previous studies have shown. Our results speak in favor of the claim that communication is of utmost importance for success in the work environment and that students/young graduates are aware of this. It is encouraging that almost 80 % of respondents expressed complete agreement with the assertion that communication skills are very important for young graduates are also agree that communication skills contribute to better employability.

On the other hand, opinions on the comparison of the importance of expertise and soft skills are quite dispersed and in contrast to the findings of numerous research that give soft skills more important role in comparison with expertise. Klaus (2010), for example, notes that as much as 75% of the long-term success of the individual is based on interpersonal skills and only 25% on technical or expert knowledge. Perhaps the great importance of professional knowledge among our respondents is also recognized as a result of the school system, which is very knowledge-intensive and much less oriented towards skills development.

Based on the self-evaluation of assertiveness and communication skills, our research confirms that there are indeed many possibilities for improvements. It turned out that young people are not sufficiently assertive; only 7.2 % of respondents reached the highest level when we can say that their communication is confident and assertive. Others can act assertively in certain situations or are not consistent in their assertive behavior. Our respondents somewhat better evaluated their communication skills, especially when communication is connected with using information-communication technology, which is part of everyday communication of young people. Skills associated with inter-personal business specific communication (e. g. conducting business talks, meetings and business

negotiations), were assessed significantly lower. Cross-cultural communication also got a relatively low score, especially if we consider that both Slovenian and Macedonian markets are small and companies have to prove themselves in foreign markets.

Of course, positive assessment of one's own skills raises the question of: a) a gap between the self-esteem of possessing communication skills and employers' assessment of the communication skills of their employees, and b) a gap between the actual knowledge of graduates and the necessary/desired knowledge of communication skills – expressed by employers. For example, Oxenbridge and Evesson survey (2012) suggests that employers consider that young employees do not have all the necessary communication skills they would like. A similarly worse assessment of the actual communication skills of young people are also confirmed by Archer and Davison (2008). Even when it comes to the use of technology where young people have undoubted advantage over the elderly, there still exist gaps in the skills that employers expect (Gibson & Sodeman, 2014).

All facts mentioned above draw attention to two challenges, especially for the educational sphere, namely: 1) it is necessary to bridge the gap between the actual knowledge of business communication and the necessary/desired knowledge expected by employers, 2) it is necessary to improve the general level of communication skills, especially assertiveness and those that require interpersonal interaction (meetings, negotiations), because these communication skills are less developed among young people. At the same time, these activities of business communication are most closely related to certain work experience, which means that even after completing formal education, employers should constantly improve the communication skills of their employees. This is also confirmed by our results as those who learn at work evaluate several skills better than others without at work learning.

Our results also point to the fact that business communication skills are not sufficiently taught in schools, both in terms of content (when such content is not sufficiently complex in study programs), as well as in terms of the percentage of students who participate in communication education at all. For example, Business Communication is mostly offered in business schools and faculties only on certain programs or as an optional subject. In designing syllabus (content and teaching), the recommendation of Conrad and Newberry (2012) should be taken into account in order that less attention should be paid to theory and models, and more to the practical skills and skills that employers appreciate. These skills can be successfully developed primarily through training and exercises, such as role playing, simulation and training of specific skills.

Despite uncovering some interesting results regarding assertiveness and business communication skills development among students and young graduates, there are some limitations to our study which may affect the results and ask for further research. The first limitation is the small sample which possibly affected that we could not find significant differences due to demographics. Especially, Macedonian sample was much smaller than Slovenian. We can thus consider our study as a pilot one and a good exercise leading to a broader scale research. It would be interesting to observe differences between students and graduates as the age as a control variable suggests that there might be some differences. Also, it would be important to know how business/social sciences students differ from engineering/science students. In addition, the questionnaire could include variables related to experiences with seeking a job or work experiences. Finally, it would be interesting to observe the problem of managing communication skills through a longitudinal study (also qualitatively) and also include the view of employers, since self-assessment is certainly not reliable enough. Our latest recommendation refers to the possibility of broader international research, where the sample would include more foreigners, from many countries and thus obtaining a nationally varied sample of respondents.

6 CONCLUSIONS

Successful communication between people does not take place automatically, but it is a skill that we must learn to a great extent. Business people also feel that they often communicate "by feel" and they make mistakes. In many cases – just due to bad communication – they achieve the opposite effect, not the one as they wanted and expected. Due to the great importance of mastering communication skills, our research draws attention to the fact that, in terms of developing these skills in the academic environment, much more could be done. It would be sensible to include these topics into the formal school system and include the contents of business communication into different subjects, and not only specific subjects of business communication. It has been shown that the important business communication skills (see our "self-assessment" results), which are less used in everyday life, are less developed. Here, our education systems and on-the-job training programs have a lot of space for improvement.

At the same time, research shows that older people are more skilled in communication skills such as negotiation, business meetings, etc., which points to the importance of experiential knowledge and the importance of on-the-job training. Given the great importance that managers (employers) attach to the management of communication skills, it makes sense, therefore, that companies in their educational programs more and more often include communication topics, even in the introduction programs for new employees.

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Appendix 1: Assertiveness questionnaire results

Assertion	Frequencies in %				Mean	St. Dev.	Mode
	Often	Some times	Rarely	Never			
I speak calmly in difficult discussions.	27.7	41.0	26.5	4.8	2.08	0.858	2
When I am uncertain I ask for help.	43.4	41.0	14.5	1.2	1.73	0.750	1
Although an aggressive person is in the group, I can manage the situation in a peaceful way.	39.8	37.3	20.5	2.4	1.86	0.828	1
In a case of offered exceptional opportunity, I know how to implement my wishes.	34.9	49.4	15.7	0.0	1.81	0.689	2
Even if others disagree with me, I can argue my opinion peacefully.	44.6	41.0	14.5	0.0	1.70	0.711	1
If I believe, that I am not taken seriously, I alert about it without offense and excitement.	22.9	50.6	24.1	2.4	3.60	0.997	2
If someone asks me for permission (e.g. May I smoke?), but I prefer to reject him/her, I do it without bad feeling.	26.5	33.7	34.9	4.8	2.18	0.885	3
I tell my opinion even when I know that it won't be approved.	32.5	42.2	22.9	2.4	1.95	0.810	2
I can regulate cases efficiently and without embarrassment with someone older than me.	41.0	44.6	14.5	0.0	1.73	0.700	2
I can make product/service complain without being rude to the seller.	65.1	21.7	12.0	1.2	1.49	0.755	1
If someone is rude to me or to others I tell him honestly.	33.7	50.6	14.5	1.2	1.78	0.766	2
When I notice a problem, I start solving it immediately, before a major problem happens.	50.6	36.1	12.0	1.2	1.64	0.742	1
If I have to communicate a bad news, I do it calmly and without fear.	28.9	53.0	13.3	4.8	1.94	0.786	2
If I want something, I ask directly.	42.2	44.6	10.8	1.2	1.67	0.767	2
If someone doesn't understand me, I don't feel guilt and I don't degrade him/her.	41.0	43.4	13.3	2.4	1.78	0.812	2
If I don't agree with the opinion of the majority, I anyway tell my standpoint and I don't apologize myself because of this.	38.6	32.5	25.3	3.6	1.95	0.923	1
I accept criticism in good faith.	32.5	51.8	13.3	2.4	1.86	0.735	2
I am not embarrassed when I compliment something.	62.6	22.9	7.2	7.2	1.57	0.952	1
If I am angry I express my opinion without excusing or dominating.	21.7	53.0	22.9	2.4	2.07	0.777	2
If someone doesn't listen to me during my talk, I finish my speech without feeling sorry for myself.	33.7	36.1	24.1	6.0	2.02	0.910	2



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Employer attractiveness: a study into the link between demographics of jobseekers and reasons for applying for a position

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ABSTRACT

This study focuses on employer attractiveness, namely the attributes that motivate job-seekers to apply for a job and the demographic variables that may affect employer attractiveness. The demographics of age, gender, years worked, and the faculty/study-related variables are examined through a quantitative approach with a sample of 1056 Hungarian students. Some significant differences were found for 'money', opportunities to develop and job conditions. This study also uncovered two new attributes: job (contractual) conditions; and type of work (tasks). These findings imply that employer branding strategies should consider national idiosyncrasies, and not rely on existing empirical findings.

KEY WORDS

employer branding, attributes, demographics, motivators

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1 INTRODUCTION

Employer branding not only involves promoting the organisation as a 'great place to work' in the mind of the jobseeker (McLeod & Waldman, 2011), it also enables organisations to 'pick the cream of the crop'. However, these job seekers also have values and preconceptions which, in turn, may affect what is seen as a great place to work.

Hungarian organizations have similar demands to those their developed nation counterparts in attracting and retaining top talent. At the same time, the need to attract undergraduates from limited areas increases. Moreover, Hungarian labour law changed at the end of 2018 so that the maximum overtime that employers can demand of staff increased from 250 to 400 hours per year. Although the primary instigator is seen as the government, companies enforcing this part of the law are likely to damage the attractiveness of their employer brand. Furthermore, the supply of labour is somewhat restricted in certain areas, due to the change of law on which diploma subjects offer funding possibilities for students, significantly reducing the number of undergraduates in certain areas, such as business and management.

The aim of this study is to examine two key elements impacting upon the employer brand in this context. Firstly, we examine the general motivators for job seekers to apply for a job, i.e. the employer attractiveness (EA) attributes, regardless of organisation or 'what job-seekers want'. Secondly, we examine how these motivators for applying for a job relate to demographic variables.

1.1 DEFINING EMPLOYER BRANDING

Employer branding is described as the activities involved in communicating to both existing and prospective staff that the company is a desirable place to work (Lloyd, 2002; Sullivan, 2004). An earlier study by Ambler and Barrow (1996) highlights the content of this communication as a combination of functional, economic and psychological

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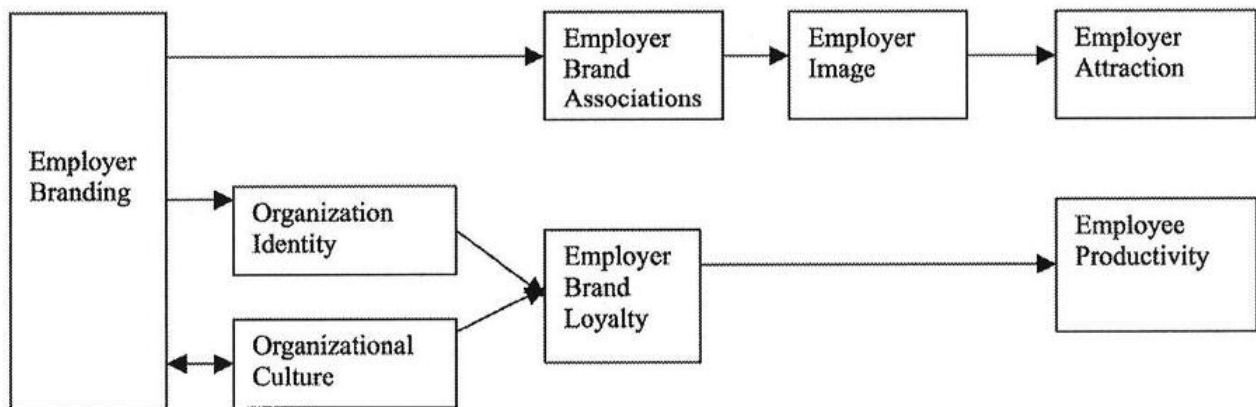
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benefits provided by employment. Berthon, Ewing and Hah (2005) used the EmpAt scale and extended this perspective from three to five dimensions of benefits: social; development; application; interest; and economic.

When considering the benefits of a workplace, there is a distinction that needs to be made: generally speaking, employer branding is a two edged sword concerned with the perception of potential benefits held by jobseekers contrasted with the actual benefits realized by existing staff, i.e. one side of employer branding concerns building an image in the minds of potential employees (Ewing et al., 2002). The distinction between existing and potential employees is also emphasised in studies by Maxwell and Knox (2009) and Lievens (2007), as current and potential employees were found to perceive an organisation's brand in entirely different ways.

In this section, we have found two key elements in the literature: the importance of the content of the message communicating the employer brand; and the difference between perceptions of job seekers and existing employees. Backhaus and Tikoo (2004) combine these elements with others to create a theoretical framework as stepping stones from the initial development of the brand towards a means of achieving employer attraction for jobseekers and employee productivity for existing employers, as indicated in the following figure:

Figure 1. A theoretical framework for employer branding



Source: Backhaus and Tikoo (2004:505)

In this model, our study is concerned with the phase of employer attraction to job seekers indicated in the top-right corner of the model. However, this model assumes that employer attraction stems purely from the employer image and brand associations. In other words, it does not show how jobseekers build up their own concepts of what kind of organisation they wish to work for, even before they consider a specific organisation. The following section examines the concept of employer attractiveness.

1.2 DEFINING EMPLOYER ATTRACTIVENESS (EA)

The level and ability of attraction of potential candidates is key aspect of how companies compete for often scarce skills in the labor market (Collins and Kanar, 2013), as well as the ability to retain staff (Helm, 2013). According to Biswas and Suar (2014), studies into the employer attractiveness dimensions of employer branding are scarce as much of the focus remains on concepts and the results achieved as a result of employing employer branding strategies.

Employer attractiveness refers to the benefits that potential employees perceive as attainable by working in a particular company (Berthon, Ewing & Hah, 2005; Pingle & Sharma, 2013). Aiman-Smith et al. (2001) define attractiveness as: “an attitude or expressed general positive affect toward an organization, toward viewing the organization as a desirable entity with which to initiate some relationship” (p. 221).

In studying the employer attractiveness, ‘attractiveness attributes’ are examined as the factors considered by potential candidates as desirable when choosing an employer (Berthon et al., 2005). These attributes may be categorized as instrumental (i.e. what the organization offers and is desirable for the job seeker) or symbolic (i.e. intangible aspects such as prestige, culture, and reputation) (Lievens & Highhouse, 2003). Cruise O’Brien (1995) classifies attributes into two areas: cognitive/rational (reliability, competence, etc.) and affective/emotional (openness, support, attention, etc.). Berthon et al. (2005) developed the Employer Attractiveness Scale, by integrating dimensions of Ambler and Barrow (1996) and developed the following classification of attributes: 1) Interest Value (IV), such as a challenging and stimulating job, and support for innovation and creativity; 2) Social Value (SV) refers to a positive working environment; 3) Economic Value (EV) refers primarily to the financial aspects, such as competitive salary, compensation package, job security, and promotion opportunities; 4) Development Value (DV)

involves recognition, self-worth, and the development of employees; 5) Application Value (AV) refers to the employer offering the opportunity for employees to apply expertise and convey knowledge to others.

The following section will examine the specific attributes that can be found in these various classifications.

1.3 ATTRACTIVENESS VARIABLES

This section considers the literature that involves job seekers seeing an element or range of elements as attractive for a certain position and how these variables may be affected by demographic variables.

Dyhre and Parment (2009) list a number of the most common attractive employer characteristics. Firstly, they found the attribute 'quality working relationships', which covers a number of elements, such as trust, respect, self-worth and recognition. They also found leadership to be a common attraction in terms of preferred style of both leadership and followership. The decision-making process was also seen as an issue, involving degree of participation and autonomy of employees. When it came to values, they found that, whilst organisational values were important, the clarity of those values was also a factor affecting attraction which was displayed in an awareness and understanding of core values of the organisation, as well as regular feedback. Finally, Dyhre and Parment (2009) make a rather unlikely combination of meaning and fun, in that there should be a clear mission and vision at all levels, whilst there should also be an enjoyment of the job whilst in the workplace.

Cafolla (2008) also examined attributes that attract an employee to apply for a position. The review cites examples of how salary was once the main incentive, but that other elements have since emerged, such as the opportunity to work for a well-branded company with developmental aspects (e.g. training, especially overseas, career growth) and an attractive work environment and social status. Terjesen et al. (2007) found that the five most important organisational attributes were: "invest heavily in the training and development of their employees"; "care about their employees as individuals"; "clear opportunities for long-term career progression"; "variety in daily work"; and "dynamic, forward-looking approach to their business".

Finally, another attribute that can attract a potential employee is due to the increased stress on companies to concern themselves with sustainability and socially responsible practices, as companies heavily involved in such practices have been found to be more attractive (Turban & Greening, 1996).

Attributes vary from one target group to another - attractiveness varies according to age, gender, educational background and cultural characteristics (Hubschmid, 2012). Terjesen et al. (2007) found that differences existed by gender, with female participants having a tendency to prefer attributes the following attributes in comparison with their male counterparts: "really care about their employees as individuals" "variety in your daily work" "friendly, informal culture" "employ people with whom you feel you will have things in common" "use your degree skills" "relatively stress-free working environment" "internationally diverse mix of colleagues" "require you to work standard working hours only". Conversely, males rated just one attribute as more important: "a very high starting salary".

Furthermore, attractiveness itself can be considered an attribute if it is generally held in society or a certain group that a company has a good reputation as a place to work, as it has been found that this increases the attractiveness for other individuals as well (Edwards, 2010), creating a form of 'snowball effect'.

Employer attractiveness does not necessarily entail job seekers selecting the same attributes from organisations in general or, indeed, one specific organisation. Schneider (1987) stated that individuals will be attracted to organizations based on an individual's personality, needs and preferences. Preferences and motivations concerning work may also vary from one generation to another (Cennamo & Gardner, 2008; Reis & Braga, 2016). Twenge (2010) also highlights how different generations tend to prioritize different aspects of the workplace. As mentioned earlier, this aspect of varying prioritization of attractiveness attributes has also been found to vary according to both cultures and demographic characteristics (Alniaçik et al., 2014; Newbury, Gardberg & Belkin, 2006). Alniaçik and Alniaçik (2012) undertook a study of 600 adults to contrast perceptual differences (if any) regarding the age, gender and current employment status of the respondents. They found that gender led to significant differences between the perceived levels of importance of employer attractiveness dimensions, whereas neither age nor employment status had a significant effect.

The amount of acquired experience of job seekers was examined as a factor affecting employer attractiveness in a study by Arachchige and Robertson (2013). Undergraduate job-seekers were compared to MBA students with varying levels of employment experience. They found that there were some differences in perceived attractiveness of employers, but there were similarities in the two extremes, i.e. those employees that were most and least preferred by respondents.

Many studies focus on the specificities of a particular national culture. Arachchige and Robertson's (2013) study took a sample of job seekers from Sri Lanka. Moreover, Roy (2008) examined the dimensions of attractiveness from an Indian perspective. Tüzüner and Yüksel (2004) examined 475 Turkish students. The national culture is a key consideration in how the employer brand is perceived: a combination of individual motivations and perspectives (Cable & Turban 2001) and cultural differences (Gowan 2004) affect this perception. Moreover, Christians and

Buettgen (2014) found from a sample of over 90,000 students from 18 countries that national culture and economic development had a significant influence on students' rankings of key attributes, such as promotion opportunities and professional development.

In a national context, there have been few studies on the topic of employer attractiveness in Hungary. Baum and Kabst (2013) undertook a cross-national survey of engineering students in China, Germany, India and Hungary as means of examining the facets of employer image. It was found that some facets such as task attractiveness varied between countries, whilst others, such as perceived career opportunities and working atmosphere, did not. However, demographics elements within each country were not examined as factors affecting attractiveness. The following section gives a brief background of the culture and values associated with Hungary as a potentially influencing factor and background context for this study.

1.4 OVERVIEW OF HUNGARIAN CULTURE AND VALUES

As studies have found that national culture is a factor influencing the preferences for EA attributes, we will consider how national values may impact upon our findings in a Hungarian context through the findings of Hofstede (2001), based upon six dimensions: Power Distance; Individualism; Masculinity; Uncertainty Avoidance; Long-term Orientation; and Indulgence.

According to Hofstede (2001), Hungary has a low power distance with a score of 46, which means a desire for independence, management empowering employees and a focus by the leader on coaching and the team. In this case, this may affect EA attributes relating to the freedom and responsibility given to job seekers, a good working environment i.e. team-player colleagues and an approachable and support boss.

Hungary was found by Hofstede (2001) to be an individualist society, with a high score of 80. This results in a concern primarily for oneself and direct family. Crucially, hiring and promotion prospects are expected to be based upon merit. Thus, promotion prospects may not be seen as such a highly regarded attribute of the firm, as it depends more on the individual's performance, rather than what the firm has to offer.

Masculinity is defined as involving ambition, acquisition of wealth, and success, whereas values associated with femininity related to caring for others and quality of life. Hungary also scores highly on this dimension (88), meaning that people 'live to work' rather than 'work to live' and so expect their managers to be assertive and decisive. This may come across in many EA attributes: as part of the working environment, with a preference for a certain type of boss e.g. strict / expert / experienced boss; a competitive salary or compensation package; good promotion prospects; and opportunities for development.

Hungary has a high score of 82 for uncertainty avoidance, there is a preference for conscientiousness, precision and punctuality. This may be reflected in EA attributes, such as a preference for a certain type of task (e.g. requiring rules, precision and hard work), a transparent promotion process, or the job in the form of security, since Hofstede (2001) points to this as a motivator for countries with high uncertainty avoidance.

With regard to the long-term orientation, Hungary has a high score of 58, indicating a pragmatic country. This long-term perspective may be reflected, for example, in a manager's appreciation of the employee's persistence and may see development opportunities as part of a long-term plan for success.

Finally, Hungary has a low score for indulgence, which results in controlled desires and impulses. Thus, EA attributes considered indulgent, such as a benefits package including a list of perks, substantial freedom for the employee (e.g. flexible working hours or a purely results-oriented approach).

2 METHODOLOGY

Choice of sample

Our sample involves undergraduates from a business school in Hungary. Cable and Graham (2000) found a significant gap between the perceptions of attractiveness attributes of undergraduate student job seekers compared to those of corporate executives, in whose interest it is to cater the employer brand to the perceptions of job seekers. Rynes, Heneman and Schwab (1980) claimed that undergraduates were less aware of job and organizational attributes, compared to employees and other job seekers. Thus, as we are seeking to examine the individual's perspective in this study, regardless of organisation and job, a sample of undergraduates suits our purposes.

Instrument

The composition of the data collection instrument was a questionnaire with a combination of both open and closed questions, to measure and draw conclusions about the link between demographics of job seekers and motivators (EA attributes) to apply for a job in general.

For our choice of demographics for this study, the findings of the literature review indicated that gender and work experience may influence attractiveness elements (Hubschmid, 2012; Terjesen et al., 2007) and so these were added.

Furthermore, we decided to include Faculty, course and year of study, with the opportunity to examine significant differences across different Faculties – Arachchige and Robertson (2013) found differences between MBA and undergraduate students, and studies have found differing student perceptions based upon course / subject (e.g. Chan & Fong, 2018; Sarwar & Sarwar, 2012). We also included age as our sample would involve students aged between 18 and 40, as age has been found to be potentially affecting employer attractiveness (Alniaçık & Alniaçık, 2012; Tuzuner & Yuksel, 2009), and found in our review in the example of generational differences (Cennamo & Gardner, 2008; Twenge, 2010). Although further demographics could have been added, concerns during the pilot study (see later part in this section) about preserving the anonymity of the participants led to a limit on the amount of demographic data collected.

The demographic elements listed here are those demographics most extensively covered according to our review of the literature. Our literature review indicated employer attractiveness and prioritization of attractiveness attributes may vary according to the different cultures and demographic characteristics (Alniaçık et al., 2014; Newbury, Gardberg & Belkin, 2006). Although the literature provided a range of attributes attracting job seekers to apply with associated classifications of these attributes, it was found in the literature that research such as Arachchige and Robertson's (2011) Sri Lankan study necessitated the modification of models of attributes to suit the context of the given country. Thus, differences in history, national culture and stage of economic development could feasibly result in the exclusion of attributes if based on a list of attributes from studies that have taken place in other countries. An open question approach was chosen, as it would allow for any new or unusual factors to emerge. Furthermore, this method "enables participants to define their own criteria for discriminating between items and provides a large amount of information about preferences" (Maxwell & Bart, 1995). It is conceded that this method will not distinguish the distance between ranks and the relationship between the ranks, but the aim of our study is to focus on the top-ranking attribute (participant's primary motivator to apply for a job).

In summary, the need for a ranking method was found in the literature as participants tended to prioritize these attributes according to their own needs and expectations (Cable & Turban, 2001). Since the literature has shown varying lists of attributes by country and the range of potential attribute and wording of them is huge, a set list of attributes is seen as a restraining factor, to be avoided. Finally, this method provides rich data on individual preferences.

Distribution

Questionnaires were distributed in hard-copy to assure anonymity and were completed on a voluntary basis. Permission was received from top management of the organisation prior to distributing the questionnaire for both the pilot study and the main study.

2.1 PILOT STUDY

The pilot study was planned to pre-test the questionnaire and ascertain the reliability of the instrument. A random sample of 20 participants was taken from the population planned for the main study (Bless & Higson-Smith, 2000) and those same participants were excluded from the main study (Peat et al., 2002), due to concerns about 'questionnaire fatigue' (Van Teijlingen & Hundley, 2001).

Following completion of the instrument, interviews were conducted with participants (Hudson et al. 2007; Jacobson & Wood, 2006). Semi-structured interviews were based upon the questions recommended by Bell (1999) and Wallace (1998) for a pilot study: Were the instructions clear and easy to follow?; Were any of the questions unclear or ambiguous?; Were you able to answer all of the questions?; Did you object to answering any of the questions?; Did you find any of the questions embarrassing, irrelevant or irritating?; In your point of view, are there any important or concerned issues omitted?; Was the layout of the questionnaire clear?; How long did it take you to complete the questionnaire?.

Each interview lasted approximately 20-40 minutes. One concern from participants arose during the pilot study about being identified through the extensive demographic data and so this had to be modified. The basis for modification involved a reassessment of those demographic variables and only including those that were most extensively covered in the literature. Namely, some students were uneasy about giving their precise age, again for anonymity concerns, and so date of birth was amended to birth year. The course and current year of study were also claimed by participants to raise concerns of identification and so these were deleted, with the very general dimension of 'Faculty' remaining. Due to these concerns, the confidentiality of the results and preservation of anonymity was stressed prior to and during distribution of the questionnaires during the main study. As participants rarely gave more than 3-4 motivators (EA attributes) in the pilot, the spaces available to list attributes was limited to five, but addition space was provided for further comments or suggestions. A post-pilot version of the questionnaire can be found in the appendices at the end of this paper (Appendix 1).

2.2 ANALYSIS

A double coding protocol was followed for the list of EA attributes given by participants, as a means of classifying them, i.e. the top-ranking attribute was coded by at least two persons from the research group, to reinforce the validity of the coding process. The first phase of coding was followed by research focus group discussions (Mcperson & Baptista Nunes, 2006), whereby the entire research team worked towards a common classification of the attributes. As a result of these discussions, the coding process was refined, wherever deemed necessary (Saldaña, 2013).

Following the refinements in the coding, a further research focus group discussion was held to reach a common interpretation of the meaning of the coded material and to identify patterns in the groupings. These two research group discussions served to increase the intersubjective or communicative validity (Kvale, 1995) of the analysis phase.

Thus, the primary motivators (attractiveness attributes) were grouped into the following seven areas: working environment (involving references to the boss, working atmosphere, colleagues, physical environment and so on); job conditions (contractual conditions beyond the financial aspect, such as flexitime, length of contract, and so on); money (salary, compensation package etc.); promotion possibilities; type of work (complexity of tasks, interesting work, challenging and so on); reputation; and opportunities to develop. Many of the categories appeared on a par with other classifications found in the literature (Cafolla, 2008; Ng et al., 2010; Terjesen et al., 2007) but the research team gave different headings to those of existing studies, such as 'money' instead of 'economic value'. Further details of the classification of attributes will be covered in the following section.

3 FINDINGS

A total of 1094 completed questionnaires were received, and after deleting missing and invalid questionnaires, a net amount of 1056 completed questionnaires were used in this study. There were 675 female and 381 male participants, which is a similar proportion of gender as found throughout the institution as a whole. For the groupings, according to the empirical studies of motivators found in the literature review, the following frequencies were found:

Table 1. Frequencies of primary motivators in the sample

Motivators	Frequencies
Working environment	204
Money	347
Promotion possibilities	58
Reputation	19
Type of work (task)	246
Job conditions	78
Opportunities to develop	104
Total	1056

Source: Own research

As per the table, there were a number of new categories that arose as they had a significant number of participants, such as job conditions and type of work. For job conditions, these answers related to the contractual conditions of the job, such as 'working hours' or 'flexibility'. Type of work was distinguished from this, as participants referred specifically to the tasks involved in the job (or perceived tasks) as motivating them to apply for a job, with answers referring to interesting work, challenging tasks, and so on. When the group of researchers discussed the groupings, it was decided that contractual conditions and the type of tasks given were sufficient distinguishable to constitute stand-alone categories. Reputation has been used in this study for reference purposes, but it is conceded that such a small sample (relatively) it unlikely to reveal statistically significant results. Participants identified items as motivators with financial elements, such as 'money', 'financial rewards', 'salary' and 'yearly bonus', and all elements referring to this aspect have been grouped under 'Money'. Furthermore, working environment includes responses such as 'good colleagues', 'modern office', 'friendly atmosphere', and so on.

The motivators were then tested against the demographic data, and the significant findings are highlighted in bold in the following tables:

Table 2. Pearson Chi-tests of Gender against Motivators

Motivator	Value	df	Asymptotic Significance (2-sided)
Working Environment	1.078a	1	.299
Money	2.593a	1	.107
Promotion Possibilities	1.920a	1	.166
Type of work (task)	2.345a	1	.126
Opportunities to develop	1.968a	1	.161
Company reputation	2.298a	1	.130
Job conditions	.001a	1	.972

Source: Own research

Table 3. Pearson Chi-tests of Faculty against Motivators

Motivator	Value	df	Asymptotic Significance (2-sided)
Working Environment	2.187a	2	.335
Money	8.530a	2	.014
Promotion possibilities	3.428a	2	.180
Type of work (task)	4.639a	2	.098
Opportunities to develop	10.892a	2	.004
Company reputation	2.986a	2	.225
Job conditions	7.708a	2	.021

Source: Own research

Table 4. Pearson Chi-tests of Years Worked against Motivators

Motivator	Value	df	Asymptotic Significance (2-sided)
Working Environment	24.976a	24	.407
Money	26.462a	24	.330
Promotion possibilities	7.767a	24	.999
Type of work (task)	18.381a	24	.784
Opportunities to develop	43.167a	24	.010
Company reputation	3.044a	24	1.000
Job conditions	8.746a	24	.998

Source: Own research

Table 5. Pearson Chi-tests of Birth year (age) against Motivators

Motivator	Value	df	Asymptotic Significance (2-sided)
Working Environment	21.888a	25	.642
Money	27.812a	25	.317
Promotion possibilities	31.226a	25	.182
Type of work (task)	24.672a	25	.481
Opportunities to develop	26.143a	25	.400
Company reputation	13.569a	25	.969
Job conditions	14.000a	25	.962

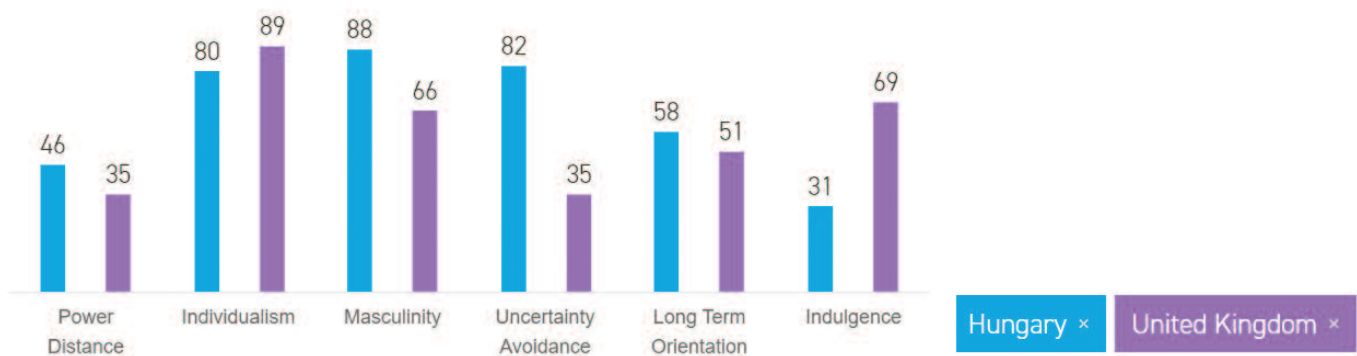
Source: Own research

4 DISCUSSION

In this study we have investigated the relationship between attractiveness attributes (also referred to as motivators to apply for a job) and demographic variables in a Hungarian context, as a means of highlighting the aspects that should focus on in making their organisations attractive to certain demographics as part of an employer branding campaign.

Our findings indicate no significant differences for this sample based upon gender (Table 2), despite this finding in the literature (e.g. Terjesen et al., 2007). The reason for the differing results may be cultural differences between Hungary and the countries of these previous studies. For example, as shown in the literature review, the study of Terjesen et al. (2007) involved students from the UK and found that women rated eight attributes as more important compared to male students involving care and concern for others: “really care about their employees as individuals” “variety in your daily work”; “friendly, informal culture”; “employ people with whom you feel you will have things in common”; and “internationally diverse mix of colleagues”. As shown in the literature review, men rated just one attribute as more important: “a very high starting salary”. These attributes are also related to values concerning masculinity, found in our literature review Hofstede (2001). In the study of Terjesen et al. (2007) we see a clear distinction between masculine and feminine values for a UK sample. Considering a comparison of UK and Hungarian national culture, we can see the different values associated with masculinity and femininity:

Figure 2. Comparison of cultural differences between UK and Hungary



Source: www.hofstedeinsights.com

As can be seen in Figure 2, Hungary scores highly for masculinity – in fact Hungary has one of the highest scores globally. As such, the Hungarians place great value on wealth, ambition and success and this includes Hungarian women. As the literature indicated, national culture influences EA, this may be one reason for this apparent anomaly, although further research would need to be conducted to confirm this. However, one finding that may point to this argument may be found in the fact that the sample involved 675 female and 381 male participants. Thus, the weighting should be, from a cultural perspective, towards the EA attributes relating to masculinity mentioned earlier in this section. However, as shown in the table below, by gender, the proportion of participants that selected money as the primary motivator is similar for both male and female participants:

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Table 6. Male and female preferences for money as primary motivator

Gender	Other attributes	Money	Total
female	465	210	675
male	244	137	381
Total	709	347	1056

Source: Own research

As seen in the above Table 6, the similar proportions of male and female preferring money as the primary motivator are shown as approximately 36% of male participants selected money as the primary motivator, and 31% of female participants selected the same attribute as the primary motivator.

With regard to the demographic of 'Faculty', there were three attributes found to have a significant relationship with Faculty: Money; Opportunities to Develop and Job conditions. The organisation is split into three Faculties: Accounting and Finance (FFA), International Management (FIM); and Catering and Tourism (FCT). Each Faculty focusses on BA and MBA courses in its given field, although there is a slight overlap between individual courses, e.g. a three-year BA in Catering and Tourism will also have a semester covering financial management and accounting, a degree in Accounting also has a semester on the fundamentals of management and Human Resource Management. In the literature it was found that educational background influenced preferences for employer attractiveness (Hubschmid, 2012). Likewise, we suggest that Faculty may impact upon student preferences from an employer. The implication here is that employer branding strategies focussed on the financial package may well attract students from Faculties with a more pronounced economic or financial basis.

The significant difference in the attribute 'opportunities to develop' may be based upon certain expectations. The students of the Faculty of Finance and Accountancy often plan to get experience as an accountant, before becoming a chartered accountant and then auditor. Likewise, for students studying a 'Management course', there is an expectation to develop and become a manager one day. Whilst the same could be said in the catering or hotel industry, the career towards an auditor, for example, constitute part of the course materials, building an expectation to develop further once in employment.

The significant difference for job conditions is a surprise as this attribute is not one highlighted in the literature. As mentioned earlier, the attribute 'job conditions' refers to the contractual conditions of the job i.e. flexitime, security, type of contract, benefits, and so on. This preference for security was reflected in Hungarian culture relating to uncertainty avoidance and was found in the literature, to a certain extent under Economic Value (Ambler & Barrow, 1996). However, Ambler and Barrow (1996) grouped 'security' with the financial elements (salary and compensation package) alongside promotion opportunities. From our study, it is clear that these elements should be differentiated in the classification of attributes. 'Security' does not only refer to financial security and relates to a long-term orientation, from a cultural perspective (Hofstede, 2001). Promotion opportunities may be preferred for more than economic gain, such as increased power, prestige or responsibility. This distinction is especially important if the attributes 'Job conditions' and 'Money' were found to be statistically significant in the case of Faculty, but promotion opportunities were not – by lumping them into one category this difference could be overlooked. From a methodological point of view, the implication of this finding is the need for a reassessment of the classification of EA attributes and their usage in empirical studies, especially those studies which examine elements influences on classified groups without any analysis of the individual attributes, such as Reis and Braga (2016).

Our review of the literature also indicated that experience with a firm may influence the choice of EA attributes (Arachchige & Robertson, 2013). Our findings were that only one attribute indicated significant differences based upon years of work experience, namely 'opportunities to develop'. From a sample of a group of students, it would be expected that many would be attracted by opportunities to develop further, however, the distinction likely indicates

that those with more experience are less likely to hunger for opportunities to develop as they feel they have already developed significantly due to years of work experience.

There were no significant differences for age of participants. However, existing studies of age affecting EA were due to large differences in age, such as generational differences. As can be seen in the table below showing the frequencies, 76.3% of the sample are aged between 19 and 22:

Table 7. Distribution of age for the study sample

Age	Frequency	Percent	Valid Percent	Cumulative Percent
59	1	.1	.1	.1
57	1	.1	.1	.2
55	1	.1	.1	.3
48	1	.1	.1	.4
47	2	.2	.2	.6
40	1	.1	.1	.7
39	2	.2	.2	.9
38	3	.3	.3	1.1
37	1	.1	.1	1.2
35	3	.3	.3	1.5
34	3	.3	.3	1.8
32	2	.2	.2	2.0
31	2	.2	.2	2.2
30	3	.3	.3	2.5
29	5	.5	.5	2.9
28	7	.7	.7	3.6
27	6	.6	.6	4.2
26	15	1.4	1.4	5.6
25	26	2.5	2.5	8.0
24	53	5.0	5.0	13.1
23	80	7.6	7.6	20.6
22	144	13.6	13.6	34.3
21	244	23.1	23.1	57.4
20	256	24.2	24.2	81.6
19	163	15.4	15.4	97.1
18	31	2.9	2.9	100.0
Total	1056	100.0	100.0	

Source: Own research

This narrower age range of the bulk of the sample may explain why our findings differ from those of existing studies.

Our finding that money is the primary motivator for 67% of the total sample (see Table 6) confirms existing empirical findings of how economic circumstances influence employer attractiveness, found in our review of the literature (Christiaans & Buettgen, 2014). Alongside money, the highest motivators are type of job and working environment, which may be influenced by characteristics of Hungarian national culture and economic pressures, referred to in the literature review. For example, elements of working environment included colleagues and working atmosphere, which relate to Hungary's low power distance. Type of job may relate to uncertainty avoidance (rules, precision and security) and, to a certain extent, long-term orientation.

Certain attributes found in the literature did not arise in our study, such as 'fun in the workplace' and a clear vision and mission (Dyhré & Parment, 2009). As many of the job seekers in the sample lacked experience, it may be that the importance of such issues has not yet emerged for them. Alternatively, aspects such as having fun in the workplace may not been seen as acceptable i.e. not a cultural norm (see Hofstede, 2009; Plester & Sayers,

2007), which opens up another aspect of the link between national culture and EA attributes as a future research direction.

The methodology employed in this study gives the participants the opportunity to choose attributes that spring to mind rather than from a pre-existing list. Furthermore, the research team undertook classification of these responses without preconceptions of how attributes should be classified. From a large sample of over 1000 students, these groupings highlight how existing classifications should be critically assessed and considered in a national culture context. This is especially noteworthy as we uncovered attributes that had not been covered in the literature, such as job conditions, and type of work (almost 25% of the sample listed type of work (task) as a primary motivator for applying for a job, whereas 78 participants referred to the conditions surrounding the job (e.g. working hours, flexibility and other contractual elements).

From a methodological perspective, this study also highlights the complexity of assessing attributes. For example, it was found in the literature that the attribute 'quality working relationships' is related to individual values of trust, respect, self-worth and recognition (Dyhre & Parment, 2009). The empirical studies found in the literature cover primarily quantitative studies, but underlying values such as these indicate the need for a qualitative study of job seekers to uncover the aspects of an individual that shape preferences for employers.

4.1 PRACTICAL IMPLICATIONS

In the previous section we discussed the findings in relation to existing literature and made some recommendations for researchers in this field. In this section we will consider the implications for HR practitioners and managers in organisational in general, and those involved in employer branding in particular.

This study of EA attractiveness turns the spotlight on the moment when a jobseeker (student) chooses which job to apply for i.e. the prioritization of attributes that are offered by employers, at a particular stage of a person's life. The focus on the link between demographics and these attributes highlights the specific national context. Thus, although the findings of previous studies have served to enable HR practitioners to target and segment jobseekers based upon (for example) gender and age. In a Hungarian context, Money (economic value) is the primary motivator for HR practitioners if they wish to cast the next far and wide i.e. attract a large number of job-seeking students. However, there are limitations. Students such as those from the Faculty of Catering and Tourism would not succumb to this. Thus, the nature of the job (industry, clientele, sector) should be considered before deciding to stress the financial package in a Hungarian context. If targeting certain demographic groups were required as part of an employer branding strategy, then it could be said that the attribute 'opportunities to develop' could be highlighted as a motivator based on the number of years worked of job seekers and in this way, a stress (or lack thereof) of a focus on opportunities to develop could encourage job seekers with a low number of years' experience and dissuade others.

5 CONCLUSIONS

This study aimed to examine the link between demographic variables and attributes that motivate a person to apply for a position in a Hungarian context.

The findings of this study confirm those found in the literature concerning the influence of educational background (in our study, Faculty) and national culture on the choice of EA attributes, which in turn provide different findings to those of existing empirical studies. The study also raises the questions concerning whether the classification of EA attributes may result in overlooking the influence of individual attributes. Our findings also confirm that economic background influences employer attractiveness. Moreover, the reason for findings that differ to those of existing studies is attributed to the differences in national culture in general, and the specific social and economic context.

In the scope of employer branding, the relationships found in this study aid HR practitioners in being able to target certain groups based upon specified attributes. However, there is a caveat: none of the demographics had a significant difference across the entire range of attributes and, thus, only some attributes of the 'employer branding package' could be seen as being able to target certain groups, but not all of them.

5.1 LIMITATIONS AND FURTHER RESEARCH DIRECTIONS

In this study we have some conflict with existing studies. Hubschmid (2012) found that attractiveness varies according to age, gender, educational background and cultural characteristics. We cannot confirm that this is the case for age and gender, as there were no significant differences, but the cultural characteristics may explain our conflict with existing studies if we consider culture on a national level i.e. differences between Western and Hungarian culture

results in conflicting findings. However, further research in this area would be needed, specially across the CEE countries to see if there are further differences or similarities.

As mentioned in the methodology section, the amount of demographic data asked from participants had to be limited in order to preserve their anonymity. As such, it is conceded that further demographic data may have uncovered further findings of use in this study and may be seen as a direction for further research. The demographics included in this study comprise those most widely covered in the existing literature.

The sample of this study involves undergraduates. However, on the labour market the majority of job seekers are experienced workers. This study could be extended to gain insight into the link between attractiveness attributes and demographics for this group. The perceptions of the undergraduates are nonetheless irrelevant as they are, in most cases, actively looking for employment, but they are representative of only one sector of job seekers. Finally, one of the assumptions of this study is that employer attractiveness attributes vary between national cultures. On the one hand, this reduces the generalizability of these findings, but on the other, offers the potential for extension of this study to compare national cultures, educational and economic influences across the CEE region, and beyond.

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APPENDIX 1: POST-PILOT QUESTIONNAIRE
(TRANSLATED FROM THE ORIGINAL HUNGARIAN)

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK YOU FOR YOUR SUPPORT AND COOPERATION IN THE COMPLETION OF THIS QUESTIONNAIRE. ALL INFORMATION THAT YOU PROVIDE WILL BE TREATED WITH THE STRICTEST CONFIDENTIALITY. IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION, PLEASE DO NOT HESITATE TO CONTACT ME: CHANDLER.NICHOLAS@UNI-BGE.HU. PLEASE NOTE THAT FOR THE QUESTIONNAIRE TO BE USABLE AND VALID, ALL QUESTIONS SHOULD BE COMPLETED.

A. PLEASE TICK THE BOX AND PROVIDE FURTHER INFORMATION ON THE FOLLOWING:

- 1. BIRTH YEAR:
- 2. GENDER: MALE FEMALE
- 3. PLEASE TICK ONE OR BOTH OF THE FOLLOWING, AND PROVIDE THE RELEVANT DETAILS:

STUDENT . FACULTY:

EMPLOYEE FROM..... (YEAR) ASA (JOB TITLE).

B. WHAT ARE THE MAIN REASONS THAT YOU APPLY FOR A JOB AT AN ORGANISATION?
(PLEASE RANK THEM IN ORDER FROM 1-MOST IMPORTANT TO YOU, TO 5-LEAST IMPORTANT)

- 1.
- 2.
- 3.
- 4.
- 5.

PLEASE WRITE HEAR ANY OTHER COMMENTS YOU MAY HAVE ABOUT THIS QUESTIONNAIRE OR THE REASONS FOR APPLYING FOR A JOB:

.....

.....

.....

ALL INFORMATION WILL BE TREATED WITH UTMOST CONFIDENTIALITY
THANK YOU FOR YOUR TIME



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Effect of proactive personality in the relationship between organizational sponsorship and career success of managerial staff in large manufacturing firms in Kenya

Anjeline Akinyi Omondi, Peter K'Obonyo, Florence Muindi, Stephen Odock

ABSTRACT

The main aim of the study was to examine the role of proactive personality in the relationship between organizational sponsorship and career success of the managerial staff in large scale manufacturing firms in Kenya. Consequently, two hypotheses were formulated with the aim of achieving the set objective. The study was guided by positivist research paradigm and descriptive cross-sectional research design was adopted, primary data was collected from managerial staff of large scale manufacturing firms in Kenya. Data was analyzed using descriptive and inferential statistics. All the measurement items met reliability and validity tests. Hypotheses were tested using linear regression model. The findings indicated that proactive personality moderates the relationship between organizational sponsorship and career success. The study supports leader member exchange (LMX) theory which advocates for organizational sponsorship for career success of employees and social cognitive career theory (SCCT) that advocates for interaction of organizational factors and personality factors in achievement of career success. The study recommends that large scale manufacturing firms should enhance their employees' career success by providing them with organizational sponsorship programs particularly; training, mentorship, supervisor support and organizational resources. The findings also provide future researchers with a useful conceptual and methodological reference that can be used in the pursuit for further studies particularly in the area of career success and as far as the moderating role of proactive personality is concerned in different contexts other than manufacturing firms.

KEY WORDS

organizational sponsorship, proactive personality, career success

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1 INTRODUCTION

The nature of jobs as well as organizations have changed, this has created challenges on how to define, describe, to estimate and to achieve career success. Jobs have been subjected to many contextual changes following organizational restructuring (Frese, 2001) the emerging new concepts on career such as boundaryless career and protean career are a pointer to the changes in roles in career management from the companies to individuals (Hall, 2004). The changes have seen a major alteration in the traditional hierarchical organizational structures. Organizations today are less structured with many becoming flatter. With these changes, the relationship between the business owners and staff has been altered. Individuals can no longer be assured of assistance from their organization for the fulfillment of their own career success. This in turn has facilitated the need for people to look for new ways of managing their careers (Sullivan & Baruch, 2009). Proactive personality is perceived to play a major role in not only defining career strategies adopted by an individual but also the possibility of an individual obtaining organizational sponsorship and succeeding in their careers (Lent, Brown & Hackett, 2006).

In the quest for career success employees are bound to face many challenges that calls for support from the organization. Even for proactive individuals, despite their ability to overcome obstacles and challenges that may hinder the achievement of their career goals, there are situations that are beyond their control such as decision on salary increment and promotion which are never left at the discretion of an individual. Consequently, organizations

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need to respond to individual initiatives to career success through provision of resource, training, mentorship, supervisor support and generally providing conducive working environment that will enhance employees' career success without which career success will still remain a challenge to most employees (Barnet & Bradley, 2007).

The focus in manufacturing sector in Kenya is based on its strategic role in the achievement of vision 2030. There is need for managerial staff in this sector to spearhead the growth and development of the sector towards the achievement of this vision. Unfortunately, the sector has not been making major contributions to the country's GDP as expected given its strong manufacturing base in the country as compared to other countries like Tanzania and Uganda (Kenya National Bureau of Statistics, 2017). Moon and Choi (2017) observe that employees' career success, which is a product of the effort made by both individual and organization, determines the expected outcomes of the firms in which employees are engaged in. Organizational sponsorship programs like training and development help in improving the skills and competences of the staff which is an added advantage as far as performance of the job is concerned. Furthermore, mentoring of talented individuals prepares the organization for future replacement of those in managerial positions in case of retirement or untimely exits by the staff. The staff also gains satisfaction and commitment when their career goals and plans are aligned to the goals of the organizations. Therefore, in as much as the employees need to have a direct control of their careers, organizations still need to provide necessary support aimed at enhancing the staff's career success (Arthur, Khapova & Wilderom, 2005).

1.1 ORGANIZATIONAL SPONSORSHIP

The level of assistance provided by organizations to the employees to enable them to succeed in their careers has been described by authors in several ways: organization support (Barnet & Bradley, 2007), organization career management (Ndegua, 2016), career development practices (Kamau, 2017) and organizational sponsorship (Ng, Eby, Sorensen & Feldman, 2005). This study adopted the term organizational sponsorship in corroboration with the study by Ng. et al (2005) who used the term to define the level of special assistance organizations provide to their staff to facilitate their career success. Furthermore, the study by Ng. et al (2005) also identified the components used to describe organizational sponsorship as training and development, mentorship, supervisor support and organization resources that have been used in this study. Organizational support perspective upholds that reciprocal engagement between staff and management begins when the company provides an authentic and good working environment for employees who in return feel obligated to accomplish the set objectives of the organization (Wayne, Shore & Liden, 1997). Organizational sponsorship is perceived by the staff as an aspect of value attached to them and their contribution towards the success of the organization by the employer, this perception generates positive feelings such as self-esteem, and career satisfaction (Nayir, 2012). According to Ng. et al (2005) organizational sponsorship consist of four main components: Mentorship, training, supervisor support and organization resources.

Mentorship refers to socialization and reciprocal association that helps transforms the behavior of the people involved (Brockbank & Mc Gill, 2006). Mentoring can be categorized into two, formal and informal. Formal mentoring is carried out by a staff assigned by the firm. The association ranges from 6 months to 1 year. A contract is approved by the mentor and the mentee (Allen et al., 2006). The contract spells the schedules for the meetings. The formal mentoring programs are based on training, staff orientation, individual and career growth, it also acts as a form of sponsorship and offers the mentee exposure in the organization. The formal mentoring is defined by the organization and is more related to work aspects within the organization and takes place for an agreed period of time. On the other hand, the informal aspect is not controlled by the organization, but the mentee has his or her own discretion to choose his or her mentor who acts as a role model. The association relies on the agreement made by both parties and is marked with closeness. The mentee gains the necessary guidance and support whereas the mentor gains satisfaction from the mentoring offered and acknowledgement from the company. With informal mentorship the period is not restricted, and the relationship may last as long as it is deemed appropriate (Bozionelos, 2004).

Mentoring is observed as an association between a person who is more enlightened and a less experienced one. A mentor offers counseling, guidance and modeling (Hall, 2007). These relationships are initiated with the view of developing career functions. Mentorship can range from several activities offered to the mentee such as provision of challenging assignments, provision of exposure and visibility in the organization by participating in various activities, paying attention to the mentee's level of competence, giving the mentee adequate and proper information on what the job involves, informing the mentee of important issues affecting the company (Bozionelos, 2004). The process of mentoring is beneficial to both parties; the mentor and the mentee. Apart from facilitating the transfer of knowledge and skills to the mentee, the mentor also gains career satisfaction just like the mentee.

Training is the process of improving the capacity of the workforce by allowing them to advance their level of education, through attending seminars and workshop and through engaging in the job itself (Armstrong & Taylor,

2014). Training imparts knowledge, skills and competences to the employees thus improving their efficiencies and effectiveness in job performance. It is regarded as an investment in human capital regardless of whether the investment is as a result of the effort by the individual or by the organization. Organizations in offering training to their employees not only enhance the staff's performance on the job but also fulfill their obligation as part of the psychological contract with their employees (Lewis & Arnold, 2012). Individuals who are offered training gain feelings of appreciation from their organization and endeavor to devote their time and effort to work towards the fulfilment of the goals and strategies of the companies. Opportunities for training are a major step as far as employees' career success is concerned. The skills acquired through training prepare the individuals involved for future job openings and higher positions.

Supervisor support is the level of assistance offered to the staff by the managers or superiors on the aspects of the job and can be geared towards enhancing an individual's achievement of career success. Supervisors can provide assistance to the employees through offering them protection especially in cases of victimization arising from either management staff or the co-workers, providing appropriate feedback for job performance which motivates as well as enable the employee to improve on their performance, providing practical support whenever necessary, adopting a collaborative approach in supervision through consultation with the employee in matters pertaining to job performance, providing support to accomplish tasks or meet the set deadlines, assigning their staff more responsibilities that increases their contact with influential people in the organization as well as creating visibility of the staff in the company and potential for consideration for a higher position in the organization (Ng, et al., 2005).

Organizations can as well offer financial support and non-financial support to their staff (Ng, et al., 2005). The financial support can take different forms: For instance, scholarship, certain organization provide finances to their staff to further their education with a commitment on the part of the employees that they will have to work for the firm for agreed period of time on completion of their studies before seeking for other employment outside the organization, others still, will provide paid study leaves to the staff in order for them to pursue their studies. Basically, the main intention of providing financial support to the employees is to help them improve on their skill and knowledge and to help them prepare for future high position that may arise within the organization (Bozionelos, 2008). The non-financial aspects are non-monetary resources that can include time to further one's studies, this can be in form of study leaves, off duty during particular times of the day to attend to career related issues, flexibility on time to allow for skill development and opportunities for career growth within the organization. Apart from enabling employees to develop a more balanced work life, employees generally utilize these opportunities to advance in their career, while others derive career satisfaction from such jobs that are more flexible.

1.2 PROACTIVE PERSONALITY

The trait was introduced by Bateman and Crant (1993). It is defined by self-directed behavior and tendency to control obstacles and situational forces and the ability to define and direct one's own career. Proactive personality is a trait that distinguishes individuals based on the extent to which they control and manipulate their environments for their own good. Typically, people with proactive personalities are not constrained by obstacles and situations but instead fight and to the end enduring to bring about the necessary changes in their environment.

It generally describes the ability to create and sustain actions that can directly change the environment (Bateman and Grant, 1993). Proactive personality is a fundamental personality because it considers the possibility that people can alter their environments instead of allowing themselves to be bent by these changes. It is built on the premise that one's behavior can be controlled both from within and outside, and that circumstances are as much a consequence of people and vice versa. Consequently, there exist a reciprocal causal relationship between a person, environment, and behavior (Bandura, 2002). Therefore, people can deliberately alter their present situations to facilitate the achievement of their career objectives.

Proactive individuals usually excel in scanning the environment for opportunities and spotting these opportunities. They also develop their objectives, take necessary actions that are geared towards the achievements of the set objectives, and endure until they meet these objectives (Bateman & Crant, 1993). Consequently, proactive individuals initiate constructive change through: striving to change the normal order of things, engaging in constant search of new ways of doing things, fixing what they don't like and correcting faulty procedures within and outside their organizations. Furthermore, these individuals are more result oriented in their action.

On the contrary, people who are not proactive display the opposing behavior, such people are not able to recognize and maximize on the existing opportunities to improve on their situations. They are less motivated to put forth effort in order to realize their objectives (Sun & Zang, 2014). They demonstrate less initiative in initiating changes and depend on other people to bring the expected changes. These individuals lack control of their situation and are usually deterred by obstacle and circumstances of their environment hence they basically conform to their Situations (Yang & Chau, 2016).

1.3 CAREER SUCCESS

Career is regarded as a descriptive and evaluative term. The descriptive term refers to a person's occupational life course that is characterized by job changes, relocations, unemployment period, times of further development and promotions. Career as an evaluative term refers to upward mobility and climbing up the organizational ladder. The term career has further been defined as making sense of one's professional and occupational development (Arthur, et al., 2005). The term success, on the other hand, is used to describe progress as well as to evaluate desirable outcomes in an individual's personal and professional life. People have different ways of evaluating their own success. Therefore, from the foregoing, the term career success can be said to be subjective or objective accomplishment throughout one's work life (Judge, Higgins, Thoresen & Barrick, 1999).

Career success is conceptualized in two dimensions; objective and subjective (Gattiker & Larwood, 1986; Heslin, 2003, 2005; Judge, Cable, Boudreau, & Bretz, 1995; Ng et al., 2005). The objective dimension of career success describes the intrinsic aspect which has been defined traditionally on the basis of pay level, the number of promotions received, rank or position held by one in the organization and salary increment (Dries, Pepermans, & Carlier, 2008). The objective measures of career success are perceived to involve aspects that can be observed, measured and verified by an independent third party (Abele & Wiese, 2008; Arnold & Cohen, 2008). These measures are perceived to be beyond the control of an individual and can only be determined by the employer or the organization and other external factors (Nicholson & De Waal-Andrews, 2005).

The current trends in organizations such as flattening the organization structures, downsizing, and outsourcing some of the organizational operations have not only minimized the scope of some of the traditional objective measures such as; hierarchical progression through promotion but also increasingly made it difficult to define the objective measures of career success as a whole (Hall, 2002). Furthermore, there are marked differences on the perception of status and power, systems of taxation and general societal stratification across countries which make it difficult to define fixed indicators of objective career success and compare across different nations (Hollenbeck and McCall's, 2003). Similarly, issues have been raised regarding inadequacies of traditional measures of career success, such as pay and advancement. The fact is that there are other career outcomes apart from these which people look for in their careers. Besides, the ever-changing patterns in career has seen the emergence of other new career forms for instance boundaryless career that has totally changed peoples' perception on what should define their career success. Individuals no longer seek for career growth within a single organization but rather a life career and satisfaction that goes beyond their professional life. This sparks the need to consider both subjective with objective career attainments (Ng et al., 2005).

The subjective dimension describes the intrinsic aspect and is based on people's evaluation of their own accomplishments in their occupations (Gattiker & Larwood, 1988). Subjective career success is generally expressed in terms of job satisfaction or career satisfaction. Although some studies (Abele & Spurk, 2009; Dries et al., 2008) have considered job satisfaction as an intrinsic measure of career success, the two constructs have been argued to be distinct (Heslin, 2005). While Job satisfaction refers to contentment arising from aspects related to the work and performance of the job, it does not reflect on success, consequently, it might not be a true measure of career success. Subjective career success describes contentment covering prolonged duration. It is also characterized by wide outcomes, for example, sense of purpose and creating an equilibrium between work and life, as opposed to job satisfaction, that is more or less confined to the current job, it describes positive and pleasurable feelings that one derives from his or her own career itself (Heslin, 2005). The inconsistency in the measures of subjective career success is demonstrated in the review carried out by Arthur et al. (2005) who considered a total of thirty-one studies. From the reviewed studies, twenty studies used career satisfaction as a measure of intrinsic career success while the remaining eleven studies used job satisfaction. These findings point to the need for researchers to firmly ascertain the measures of career success.

2 THE RELATIONSHIP BETWEEN THE STUDY VARIABLES

2.1 ORGANIZATIONAL SPONSORSHIP AND CAREER SUCCESS

Organizational sponsorship is a key factor in enhancing employees' career success since it determines the level of mentorship, supervisor support and the amount of resources that an individual is likely to gain from the organization. It is predicted that it is those employees who are able to obtain greater sponsorship from the organization that eventually obtain better career outcomes (Rosenbaum, 1984). Good approaches to career management resulting into career success require both organizations' and individuals' contributions. The adoption of proper career management tactics by organizations can lead to improved job-related skills and knowledge of employees (Power, 2010). This is likely to enhance employees' career success as well the company's competitive

advantage in the dynamic business environment. These propositions have been supported by Barnett and Bradley (2007) who asserted that the importance of organizational sponsorship for an individual's career success cannot be underestimated.

This relationship is anchored in LMX theory that proposes a positive relationship between organization sponsorship and career success (Harris & Kirkman, 2014). Ng et al. (2005) argue that individual's subjective and objective career success can be influenced by developing a positive relationship with one's supervisors. Those employees who obtain such sponsorship generally have access to resources they need for their accomplishments (Bozionelos, 2008). High quality leader member exchange has been linked to career success through higher performance ratings and higher level of delegation by one's immediate supervisor, salary progression, promotion, and career satisfaction (Masterson, Lewis, Goldman & Taylor, 2000)

The support for this relationship is evident in the literature although studies relating organizational sponsorship to career success are few with many scholars linking the variable of organizational sponsorship to different variables thus creating the need for this study, for example, Saleem and Amin (2013) focused on organizational sponsorship for career development and employee performance in Pakistan academic sector, and concluded that there was need to improve on employee performance through offering organizational sponsorship for employees' career development. However, the study was carried out in only one organization, limiting external validity and variability of the findings. Ndegua (2016) studied the effects of organization career management on employee commitment of the staff in public universities and concluded that organization career management enhances employee commitment. Whereas Kamau (2017) studied the influence of career development practices on employee retention. Although the findings were positive data was collected only from a single organization. This study is therefore intended to fill the identified gaps by testing the following hypothesis:

H1: Organizational sponsorship has a significant positive effect on employees' career success.

2.2 ORGANIZATIONAL SPONSORSHIP, PROACTIVE PERSONALITY AND CAREER SUCCESS

The emerging significance of proactivity on the part of employees is in line with rising levels of employee self-job control and obligations that have made the job performance open to choice, supplementary job behaviors are necessary to increase the productivity of the firm (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Contrary to the past where organizations used to select employees on the basis of their capabilities to carry out tightly stipulated job requirements, companies today and in future are interested in hiring employees who display proactive tendencies and versatile role inclination as channel to successful performance across multitasks (Campbell, 2000). These behaviors are important to the organization although not precisely defined as part of the requirement of the job. A number of these behaviors have been related to career progression and success (Seibert & Kramer, 2001). Superiors are major reservoir of job linked information, skills, and experience (Janssen & Van Yperen, 2004), forming a high-quality association with immediate boss enhances information exchange and offers a means for attaining objectives of career advancement and organizational success. Furthermore because of this extra-role behavior drawing insights from LMX perspective, it is logical to argue that a proactive individual and his or her superiors will be interested in enhancing and sustaining a high-quality exchange relationship that would result into career success of the subordinate (Lam, Huang, & Snape, 2007).

The relationship is based on social cognitive career theory that explains the interaction of environmental and individual factors towards achievement of career success (Lent and Brown, 2006). It proposes that the link between organizational sponsorship and career success is significantly moderated by proactive personality. Proactive individuals usually identify possible opportunities and pursue them, enduring until they influence their organizations positively to enhance their attainment of career goals (Seibert & Kramer, 2001). Scholars have posed varied arguments about the effect of proactive personality in the relationship between organizational sponsorship and career success. Just as Campbell (2000) supports the idea that proactive individuals may gain organizational sponsorship and achieve their career success, Judge and Kammeyer-Muller (2007) propose the possibility of achievement of career success by proactive persons due to organizational sponsorship. Proactive individuals get involved in helpful extra-role behavior for instance searching for ways of improving themselves through furthering their education and training, altering the status quo of the organization to enhance better performance of the company, portraying creativity by coming up with new and better ideas that can facilitate high productivity in the organization and also adopt suitable and fruitful career management strategies necessary for their own career success (Crant, 2000). Besides Proactive people are more propelled than passive individuals to make use of environmental resources and opportunities to succeed in their career life (Fuller & Murler, 2008).

Frese and Fay (2001) observe that there are chances of proactive persons obtaining negative response from the company. The suggestion is that proactive persons may get involved in misleading conducts; this may be costly to the company both financially and non-financially. Furthermore, the proposed changes by proactive individuals

may not be reasonable or better still some of the changes although may be appropriate for the organization, the other staff may rebel against them leading to frequent turnovers if implemented and this may be regarded negatively by the organization. Similarly, it may call for more resources than the organization is prepared to provide. Grant and Ashford (2008) on the other hand, argue that proactive personality may be acceptable or unacceptable trait depending on the organization. Proactive behavior will be acceptable to the degree to which the company appreciates such creativity and innovativeness as part of its culture. Those who are proactive, based on their actions may not gain organizational sponsorship to aid in their career success particularly when their behavior do not fit the goals and objectives of the organization (Erdogan & Bauer, 2005). This inconsistency makes its necessary to examine its moderating effect on the association between organizational sponsorship and career success in the manufacturing sector.

Empirical studies reviewed have conceptualized proactive personality traits as an independent variable in the study of career success for example Erdogan and Bauer (2005) carried out a study on proactive personality and career success in the education sector. Although the results were positive, job satisfaction was used as a measure of career success, however, this study used career satisfaction as a measure of career success since from the reviewed literature the two terms had been distinguished and termed distinct, job satisfaction is perceived to measure only job related elements of satisfaction unlike career satisfaction that measures career aspects (Heslin, 2005). Yang and Chau's (2016) study that was carried out among supervisor-subordinate association from mainland China indicated positive relationship between personality and career success. Despite these findings, the study used data from one organization thus bringing in the challenge in establishing external validity in addition to allowing for generalization of the findings. The study conceptualized personality as the independent variable. Nevertheless, given the obstacles and challenges encountered in the pursuit of career success, this study proposes the need to use proactive personality as a moderator in the relationship between organizational sponsorship and career success. Seilbert and Kraimer (2001) used longitudinal design in the study of the relationship between proactive personality and career success among staffs and managers of various occupations. The results were in support of the relationship. This study deviates from the previous by conceptualizing proactive personality as the moderating variable and adopting a cross-sectional design. This leads to the following hypothesis:

H2: The relationship between organizational sponsorship and career success is moderated by proactive personality.

3 RESEARCH METHODOLOGY

This study used descriptive cross-sectional survey. The design was deemed appropriate since the study sought to establish relationships among variables and data was collected across a large number of organizations at one point in time (Mugenda & Mugenda, 2003). The unit of analysis in this study was individual managers. Sampling was done in three stages: sector, firm and managerial level. In carrying out the sampling, all the twelve relevant sectors were considered. To determine the number of firms to be used in the study, the decision was made based on Stanley and Gregory's (2001) proposition that at least 10% sample of a population is appropriate when selecting sample size in cross sectional surveys. Thus, the 51 firms which is 10% of the 511 large manufacturing companies was used for this study. The selection was done randomly from each of the twelve sectors. To establish the number of managers to be used for the study, Roscoe's (1975) sample size determination procedure for unknown population was used because it was difficult to get the population of managers in large manufacturing companies. The procedure suggests that a sample larger than 30 and less than 500 is appropriate. Managers being the unit of analysis, it was important that the sample have a reasonable number of them. For this reason, it was assumed that at least five managers from each firm would be adequate given that most firms tend to have an average of five departments. This therefore given the total number of firms as 51, a total of 255 managers was considered for this study. The managers were randomly selected from the three levels of management.

Primary data was collected using five-point Likert-type semi-structured questionnaire. It comprised four sections: Section A addressed organization profile and personal background information of the respondents, section B sought information on organizational sponsorship, section C focused on proactive personality and section D was directed at career success. They comprised scales that were anchored on five points ranging from 1 (not at all) to 5 (to a very large extent). Organizational sponsorship items were derived from studies by Ng et al., (2005) and Barnet and Bradley (2007). Proactive personality on the other hand, utilized the items proposed by Bateman and Crant (1993). The dimensions of career success were adopted from studies by Yean and Yahya (2011), Seilbert and Kraimer (2001) and Heslin (2005). A description on how these variables were measured is described in the Tables under reliability and validity.

The questionnaire was administered through mail and through drop-and-pick-later method by the researcher and three trained research assistants. The questionnaires were accompanied by an introduction letter from the

university explaining the objectives and importance of the study. This was also backed up with a letter of authorization to conduct research obtained from National Commission for Science, Technology and Innovation (NACOSTI). After distribution of the questionnaires, a follow up was done through text messages, telephone calls and personal visits so as to increase the rate of response. The participation in the study through filling the questionnaires was on a voluntary basis thus some managers chose not to participate. 255 questionnaires were sent to the respondents, out of which 205 questionnaires were returned. However, 2 of the questionnaires were incomplete leaving a total of 203 usable questionnaires. The human resource managers in all the companies where the data was collected were responsible for distributing the questionnaires within their respective organizations and collecting them after they were filled. In this study the researcher and the assistants approached the human resource managers and explained to them the purpose of the study and the support required from them. Particularly, the human resource managers were requested to issue the questionnaires randomly to the managers in the three levels of management.

3.1 RELIABILITY AND CONSTRUCT VALIDITY

This research had a total of three broad constructs which included organizational sponsorship, proactive personality and career success. Each of these constructs was further subdivided into subconstructs. In total, the study had 10 subconstructs. Four were grouped under organizational sponsorship, four under proactive personality and the remaining two under career success. To evaluate construct unidimensionality, the indicators of each sub construct were subjected to reliability and validity tests.

The Cronbach's Alphas for the constructs and factor loadings for all the items of each construct in the study were assessed. Items that were found to have factor loadings below 0.4 were removed from further analysis. In addition, the reliability and internal consistency of the items representing each construct was estimated. This was done by obtaining item to total correlation scores for each item for all the constructs in the study. The measurement scale for each construct was further refined by retaining only indicators that had item to total correlation values of above 0.3 for further analysis (Hair et al., 2010).

3.1.1 Organizational Sponsorship

Organizational sponsorship had four subconstructs: training and development, mentorship, supervisor support and organizational resources. Each of the subconstructs was tested for reliability and validity.

Training was measured using three items: the organization often provides me with opportunities to participate in various seminars; the organization often provides me with opportunities to participate in workshops; during work I am trained on the aspects of the job. Table 1 shows that the Cronbach Alpha for the scale was high at 0.77. Exploratory factor analysis (EFA) using principal component analysis with Varimax rotation revealed that all the factor loadings were above the acceptable threshold of 0.4 (they ranged from 0.509 to 0.707). Item to total correlations scores ranged from 0.475 to 0.726, this was also high above the accepted range. Therefore, all the items under training and development were retained for further analysis since reliability and construct validity was confirmed.

Table 1: Training and development

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. The organization often provides me with opportunities to participate in various seminars	.707	.726	.543
2. The organization often provides me with opportunities to participate in workshops.	.659	.628	.663
3. During work I am trained on the aspects of the job	.509	.475	.818

Cronbach's Alpha=.770

Source: Research Data, 2018

Mentorship was measured on the basis of five items: giving of demanding tasks, offering exposure, supervisor paying attention to the mentees' level of competence, supervisor giving clear communication on the job activities and supervisor providing information on important issues of the company. Table 2 shows that the factor loadings were generally good and above the minimum acceptable value of 0.4 given the fact that they ranged from 0.446 to 0.641 and all item to total correlation values were above the required threshold of 0.3, indicating convergent validity. The Cronbach's Alpha for the scale was high at 0.784, a confirmation of high reliability of the construct.

Table 2: Mentorship

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. My supervisor assigns me challenging tasks to take charge of my enthusiasm and develop my skills	.631	.628	.721
2. My supervisor gives me exposure and visibility in the organization	.641	.625	.721
3. My supervisor pays attention to my level of competence	.489	.492	.766
4. I am given clear communication on the activities of the job from my superiors	.572	.579	.738
5. My supervisor informs me of important issues of the company	.446	.483	.769

Cronbach's Alpha=.784

Source: Research Data, 2018

Supervisor support had a total of eight indicators. Cronbach Alpha was high at 0.867. Table 3 shows that factors loadings ranged from 0.444 to 0.613. This was a good reflection on the reliability of the construct. Item to total correlation of all the elements ranged from 0.570 to 0.680. In addition, all factor loadings were above the 0.4 (the range was from 0.444 to 0.613). Thus, all the items were maintained for analysis later.

Table 3: Supervisor support

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. I receive protection from my supervisor	.613	.570	.857
2. I receive helpful feedback for my job performance from my supervisor	.448	.582	.855
3. My Supervisor respects my views and ideas	.557	.609	.852
4. My supervisor provide me with practical support	.543	.647	.848
5. I am free to share my concerns with my supervisor	.556	.571	.856
6. My supervisor has a collaborative approach in supervision	.610	.717	.839
7. My supervisor assist me to accomplish tasks or meet the set deadlines	.565	.680	.844
8. I am assigned more responsibilities that increases my contact with influential people in the organization	.444	.585	.855

Cronbach's Alpha=.867

Source: Research Data, 2018

Organizational resources used three items as indicators: chance to rise up organizational ladder, financial support and non-financial support. The Cronbach Alpha for the scale was high at 0.730. All the factor loadings were above the acceptable threshold of 0.4 (they ranged from 0.492 to 0.713). Item to total correlations scores ranged from 0.496 to 0.628. Therefore, on the basis of the analyses in Table 4, all the items under organization resources were retained for further analysis since reliability and construct validity was confirmed.

Table 4: Organization resources

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. My organization offers me a chance to rise up the organization ladder	.492	.568	.712
2. My organization provides me with financial support that enables me to achieve my career success	.713	.496	.683
3. My organization provides me with non-financial resources such as time that allow me to achieve my career success	.530	.628	.761

Cronbach's Alpha=.730

Source: Research Data, 2018

3.1.2 Proactive Personality

Proactive personality was conceptualized under three subconstructs namely: identifying opportunities, initiating constructive change, resilience, and result oriented. The items under these subconstructs were all tested for reliability and validity. Two items were used to measure identifying opportunities based on a scale ranging from 1 to 5. Based on the analysis in Table 5, although the alpha coefficient was 0.615, the items loaded highly on the construct with values of 0.526 and 0.541. The item to total correlation was also above the required level of 0.3 thus the items were considered for further analysis. It was not possible to obtain the alpha if item deleted because there were only two items in this subconstruct.

Table 5: Identifying opportunities

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. I spot opportunities before others can	.526	.449	-
2. I frequently search for new ways to make my work life better	.541	.449	-

Cronbach's Alpha=.615

Source: Research Data, 2018

Initiating constructive change had five indicators. Based on the finds in Table 6, the Cronbach's alpha of 0.784 was above the minimum acceptable value. In addition to this, the loading of the factors for all the items used in the sub-construct ranged from 0.472 to 0.590 whereas item to total correlation ranged from 0.433 to 0.649 thus the validity and reliability of these sub-constructs were ascertained.

Table 6: Initiating constructive change

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. I always strive to change the status quo	.590	.649	.712
2. I am always searching for new ways of doing things	.472	.433	.782
3. I always fix what I don't like	.482	.561	.743
4. I always correct faulty procedures in the organization	.541	.614	.724
5. I am always a powerful force for a constructive change	.533	.541	.749

Cronbach's Alpha=.784

Source: Research Data, 2018

Resilience as a subconstruct of personality was measured based on three items. All the items used were valid and reliable as indicated in Table 7 which shows that the alpha coefficient was 0.781 and the factor loadings for all the items was above 0.6. This was in addition to item to total correlation which ranged from 0.552 and 0.654.

Table 7: Resilience

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. I work out my ideas against opposition	.610	.552	.772
2. No obstacle can prevent me from my success	.785	.654	.662
3. I make things happens despites all odds	.754	.653	.664

Cronbach's Alpha=.781
Source: Research Data, 2018

The last subconstruct of proactive personality, result oriented was measured using two indicators. On the basis of the analysis in Table 8, the items used in this subcontract were all reliable and valid. This can be seen from the high alpha value of 0.792 and the factor loading of 0.496 and 0.554 in addition to item to total correlation which were above the minimum acceptable values. The two items had the same item to total correlation of 0.489. Again, it was not possible to obtain the alpha if item was deleted given that there were only two items involved.

Table 8: Result oriented

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1.I try to provide solutions to difficult problems in the organization	.554	.489	-
2. I am excited at seeing my ideas turn into reality	.496	.489	-

Cronbach's Alpha=.792
Source: Research Data, 2018

3.1.3 Career Success

Career success was operationalized as OCS and SCS. The SCS was measured using a Likert scale on career satisfaction that was based on 6 items developed by Lau and Pang (1960). The results in Table 9 show that the alpha coefficient was relatively high (0.848) thus this scale was highly reliable. The factor loading ranged from 0.347 to 0.748 while the item to total correlation was also above the limit of 0.3. They ranged from 0.437 to 0.781 hence the test for validity was met by all the indicators used. This created the necessity for including all the items in further analysis.

Table 9: Subjective career success

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. I am contented with the achievement I have made in my career.	.748	.781	.791
2. I am satisfied with my progress in meeting my career goals.	.708	.752	.798
3. I am contented with my effort to reach my income goals.	.538	.607	.831
4. I am satisfied with my efforts achieve my goals for gaining new skills	.697	.728	.804
5. I feel part and parcel of the team and organization where I work	.347	.437	.855
6. I am satisfied with the help I offer to colleagues in the organization	.503	.499	.846

Cronbach's Alpha=.848
Source: Research Data, 2018

Objective career success was measured on a scale ranging from 1 to 5. Based on the analysis in Table 10, the scale was reliable given the alpha value of 0.775. The items used for measuring this subconstruct were also valid. For instance, the factor loading for all the items were between 0.525 and 0.696 which was relatively high, this was also ascertained through item to total correlation of the items which ranged from 0.497 to 0.701 that was again relatively high. Thus, all the items were retained for analysis.

Table 10: Objective career success

Statement	Factor loading	Item-Total correlation	Alpha if Item Deleted
1. Promotions received in the last 10 years in the current organization	.526	.532	.750
2. Number of promotions received before joining the current organization	.525	.497	.760
3. Gross monthly income	.696	.701	.652
4. Percentage increase in salary in the last 10 years	.649	.599	.709

Cronbach's Alpha=.775

Source: Research Data, 2018

4 DATA ANALYSIS AND FINDINGS

Out of a total of 511 firms, 51 firms participated in the study based on a sample of 255 managers from all the three levels of management. 255 questionnaires were sent to the respondents, out of which 205 questionnaires were received back, 2 were incomplete and therefore were not used in the analysis. This left a total of 203 usable questionnaires that amounted into a response rate of 79.6%. Data was analyzed using both descriptive and inferential statistics. Descriptive statistics was used to obtain a general understanding of the information on the organization and the employees in large scale manufacturing firms in Kenya. After analysis, information was obtained about measures of central tendency and dispersion. Inferential statics involved the use of simple linear regression analysis to examine the relationship between organizational sponsorship and career success and hierarchical regression analysis was used to determine the effect of proactive personality in the relationship between organizational sponsorship and career success. The descriptive analysis of the respondents' and firms' characteristics are presented in Table 11.

Table 11: Demographics-related characteristics of respondents and organization

Statement	Category	Frequency	Percentage
Size of organization (No. of employees)	Less than 100	16	7.9
	100-500	98	48.2
	501-100	73	36.0
	Over 100	16	7.9
	Total	203	100.0
Gender	Male	127	62.6
	Female	76	37.4
	Total	203	100.0
Sector	Building & Construction	20	9.9
	Chemical & Allied	34	16.7
	Electrical & Electronics	10	4.9
	Food & Beverages	52	25.6
	Textiles & Apparel	10	4.9
	Wood & Furniture	9	4.4
	Motor vehicle and Accessories	9	4.4
	Paper & Board	21	10.3
	Pharmaceuticals & Medical Equip.	7	3.4
	Plastic & Rubber	10	4.9
	Timber & Furniture	9	4.4
	Leather & Footwear	12	5.9
	Total	203	100.0
	Length of time in years	Less than 5	81
5-10		84	41.4
11-15		25	12.3
Above 15		13	6.4
Total		203	100.0
Position in the firm	Supervisory level	53	26.1
	Middle level management	107	52.7
	Senior management	43	21.2
	Total	203	100.0
Length of service in current position in years	Less than 1	24	11.8
	1-3	102	50.3
	4-5	49	24.1
	More than 5	28	13.8
	Total	203	100.0

Source: Research Data (2018)

4.1 ORGANIZATIONAL SPONSORSHIP

Overall analysis of the respondents rating on the variable of organizational sponsorship (Table 12) based on the 4 sub-construct revealed that mentorship had the highest mean of 3.86 (SD= 0.708), this was followed by supervisor support with a mean of 3.76 (SD = 0.703), next was training and development with a mean of 3.59 (SD = 0.858) and lastly was organization resources with the least mean of 3.42 (SD = 0.881). The low mean for organization resources suggested that most of the staff do not depend on their organization to provide them with resource to advance in their career. On the other hand, mentorship was very important for the staff's career success as inferred from the high mean obtained. The grand mean for organizational sponsorship was 3.72 suggesting that the respondent received sponsorship from the organization to a high moderate extent. The results also show that the data was normally distributed as can be established through the skewness and kurtosis values that fell between -1 and +1 (Burns & Burns, 2008).

Table 12: Organizational sponsorship

Construct	Mean	SD	Skewness	Kurtosis
Training and Development	3.59	.858	-.397	-.432
Mentorship	3.86	.708	-.664	.634
Supervisor Support	3.76	.703	-.629	.469
Organization Resources	3.42	.881	-.384	-.443

Grand Mean= 3.72, SD=.685

Source: Research Data, 2018

Five Point-Likert Scale: 1= not at all, 2= Little extent, 3= Moderate extent, 4= Large extent and 5= very large extent

4.2 PROACTIVE PERSONALITY

The overall analysis of proactive personality (Table 13) based on the 5 sub-construct was as follows: result oriented had the highest mean of 4.13 (SD = 0.779), initiating constructive change followed with a mean of 3.98 (SD = 0.646), identifying opportunities become third with a mean of 3.84 (D = 0.757) and the least was resilience whose mean was 3.59 (SD = 0.856). The mean for all the constructs was moderately high culminating to a grand mean of 3.88. This depicted that most of the executives in production sector were to a moderate extent proactive. The results also show that the data was fairly normally distributed except for identifying opportunities and result oriented constructs.

Table 13: Proactive personality

Construct	Mean	SD	Skewness	Kurtosis
Identifying Opportunities	3.84	.757	-.811	1.038
Initiating Constructive Change	3.98	.646	-.779	.506
Resilience	3.59	.856	-.533	.084
Results Oriented	4.13	.779	-1.132	1.725

Grand Mean= 3.88, SD=.589

Source: Research Data, 2018

Five Point-Likert Scale: 1= not at all, 2= Little extent, 3= Moderate extent, 4= Large extent and 5= very large extent

4.3 CAREER SUCCESS

Career success was operationalized into objective and subjective aspects (Table 14). The subjective career success was measured using a five-point Likert scale on career satisfaction that was based on 6 items. Satisfaction with the help offered to colleagues, feeling part and parcel of the team and the organization, satisfaction with efforts towards meeting goals for developing new skills, satisfaction with progress towards meeting career goals, contentment with the achievement and contentment with efforts towards meeting my income goals; objective career success was measured on a scale ranging from 1 to 5 the indicators being: The number of promotions received, percentage increase in salary and the gross monthly income.

Based on the answers of the respondents, subjective career success (SCS) had the highest mean of 3.72 (SD = 0.777) while the objective career success (OCS) had the lowest mean of 2.27 (SD = 0.824). Whereas the grand mean

was moderate (3.14), it was observed that most of the respondent expressed a high moderate achievement of the SCS as opposed to the OCS which seemed to have been achieved to a minor extent. The results show that the data for SCS was normally distributed while that of the objective aspect was not.

Table 14: Career success

Construct	Mean	SD	Skewness	Kurtosis
Subjective career success	3.72	.777	-.458	-.267
Objective career success	2.27	.824	1.060	-.216

Grand Mean= 3.14, SD=.681
Source: Research Data, 2018

5 TEST OF HYPOTHESES, INTERPRETATIONS AND DISCUSSION

5.1 ORGANIZATIONAL SPONSORSHIP AND CAREER SUCCESS

The effect of organizational sponsorship on career success was tested using simple linear regression analysis. This was done by regressing the composite index of career success on the composite index of organizational sponsorship. Based on Table 15, 32.6% of variance in career success was explained by organizational sponsorship ($R^2 = 0.329$, adjusted $R^2=0.326$, $F=98.533$, $P<0.05$). However, organizational sponsorship did not explain 67.4% of variation in career success which is attributed to some factors other than the ones considered in the study. The overall model was statistically significant indicating the model fit. The coefficient of correlation indicated a significant positive association between organizational and career success ($R=0.574$, $t=9.935$, $P<0.05$). The beta coefficient indicates that the influence of organizational sponsorship on career success is statistically significant ($\beta=0.570$, $t=9.926$, $P<0.05$). This suggests that one unit change in organizational sponsorship is associated with 0.570 change in career success. The results thus provide evidence that organizational sponsorship influences career success. The hypothesis was thus supported.

Table 15: Regression results for the effect of organizational sponsorship on career success

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
Construct	Construct	Construct	Construct	Construct		
Analysis of Variance						
Model	R	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.834	1	30.834	98.533	.000
	Residual	62.899	201	.313		
	Total	93.732	202			
Beta Coefficients						
Model	R	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	(Constant)	B	Std. Error	Beta	4.708	.000
		1.022	.217			
	Organizational sponsorship	.570	.057	.574	9.926	.000

- a. Dependent Variable: Career success
- b. Predictors: (Constant), Organizational sponsorship

The result of this empirical investigation is in support of the previous studies. Barnett & Bradley (2007) studied the relationship organizational sponsorship and career success. The results of their study indicated that organizational sponsorship had a direct link with career success as observed in this study. Similarly, the study also lends support to the empirical findings with regards to organizational sponsorship that yielded positive outcomes although the variable of organizational sponsorship was directly linked to other dependent variables such as employee performance, employee commitment and job engagement. Saleem and Amin (2013) examined the relationship between organizational sponsorship and employee performance. Their findings indicate that organizational sponsorship has a significant effect on employee performance. Ndegua (2016) focused on the relationship between organizational sponsorship and employee commitment and found support for the relationship. Kamau's (2017) study which was based on the relationship between organizational sponsorship and job engagement also yielded positive finding in support of the relationship. The study hence is adding to the literature on organizational sponsorship and career success.

The results are also in line with the LMX theory which provides support for this relationship. Leader member exchange theory advocates for sponsored mobility perspective of career success thereby emphasizing on the need to enhance employees' career success through providing sponsorship for them. Its main argument is that those employees who are sponsored in the quest for career success often succeed faster than those who are not. The study therefore provides empirical backing on the propositions advanced by this theory. Besides the results obtained from this study is an emphasis on the role that quality relationship between the superior and the subordinate plays in as far as employees' career success is concerned. The feeling of career satisfaction generated in the staff is as a result of this exchange relationship.

Finally, this study provides support to the argument by Heslin (2005) that subjective career success is best measured through career satisfaction and not job satisfaction and that the two concepts (career satisfaction and job satisfaction) are distinct constructs. The positive significant findings obtained by using career satisfaction as a measures of subjective career success further provide direction that can be explored in future to resolve the controversy that was witnessed in a review of the literature carried out by Arthur et al., (2005) which indicated that nineteen of the studies used job satisfaction as a measure of subjective career success while twenty-three studies used career satisfaction. This study shows that career satisfaction is a better measure of subjective career success.

5.2 ORGANIZATIONAL SPONSORSHIP, PROACTIVE PERSONALITY AND CAREER SUCCESS

The moderating effect was evaluated using hierarchical regression model. In step one, career success was regressed on organizational sponsorship. The results in Table 16 indicate that organizational sponsorship accounted for 32.6% of variance in career success ($R^2=0.329$, adjusted $R^2=0.326$). The overall model was significant ($F=98.533$, $P<0.05$) thus justifying the use of regression model. Further, the beta coefficient was statistically significant ($\beta=0.570$, $t=9.296$, $p<0.05$). This implies that a unit change in organizational sponsorship is associated with 0.570 change in career success. The results in the first step were significant.

In the second model, the introduction of the moderator, proactive personality, significantly improves the influence of organizational sponsorship and career success. Organizational sponsorship and proactive personality explain 39.5% of variance in career success ($R^2 = 0.401$, adjusted $R^2=0.395$). The R^2 increased by 7.2% thus this was the percentage contribution of PP. The F change was statistically significant ($F=66.848$, $F\text{ change}=23.925$, $P<0.05$), implying a model fit. The beta coefficient was statistically significant ($\beta=0.293$, $t=4.891$, $P<0.05$). The results thus show positive and significant contribution of proactive personality to career success.

In the third model, the interaction term was introduced in the model. The results in Table 16 show that adjusted R^2 changed from 39.5% in step 2 to 42.4% in step 3. It was clear that the interaction term organizational sponsorship* proactive personality (OS*PP) contributed an additional 3.2% of the total variance explained in employee career success beyond the contributions of organizational sponsorship and proactive personality ($R^2=0.433$, adjusted $R^2=0.424$). Apart from the F change for the interaction term being significant ($F\text{ change} =11.362$, $P<0.05$), The general model was observed to be significant ($F=50.662$, $P<0.05$). The beta coefficient for organizational sponsorship* proactive personality (OS*PP) was also statistically significant ($\beta= 0.353$, $t=3.371$, $P<0.05$). It was therefore concluded that proactive personality moderates the relationship between organizational sponsorship and career success. Therefore, the second hypothesis was supported.

Table 16: Regression results for the moderating effect of proactive personality on the relationship between organizational sponsorship and career success

Model	Adjusted R ²	R Square Change	F Change	Unstandardized Beta	Standardized Beta	t	Sig.
1	0.326	0.329	98.533	0.570	0.574	9.926	.000
2	0.395	0.072	23.925	0.491	0.293	5.989	.000
3	0.424	0.032	11.362	0.445	0.353	3.371	.001

- a. Dependent Variable: Career success
- b. Predictors: (Constant), organizational sponsorship
- c. Predictors: (Constant), organizational sponsorship, Proactive personality
- d. Predictors: (Constant), organizational sponsorship, Proactive personality, Interaction term

Regression results indicates that proactive personality moderates the relationships between organizational sponsorship and career success. The results provide an empirical evidence for the theoretical propositions that the dynamic working environment calls for the need for people with proactive personality who are creative, resilient and can quickly adapt to the changing environment and that organizations today are likely to value proactive individuals with extra role behavior and not those who confine themselves to traditionally rigidly defined duties. Campbell (2000) proposed that proactive personality is likely to be a positive trait amidst the dynamics witnessed in the business world. Fuller and Murler (2008) further added that proactive people are likely to experience career success than those who are non-proactive. This study hence provides an empirical support to these theoretical propositions. Furthermore, the confirmation from the empirical study that proactive personality moderates the relationship between organizational sponsorship and career success, points out to direction that can further be explored in an effort to resolve the controversy evident in the literature regarding the role of proactive personality in the organization.

The findings further show that proactivity may not be in itself undesirable but is a trait that can earn individuals the necessary prospects for career success that they desire especially when used properly and this can enable them to succeed in their careers. Organizations on the other hand can benefit from such proactive individuals through nurturing their potentials for innovation and their abilities to enhance the success of the organizations especially in the modern times where there is need for organization to keep pace with changes in the work environment so as to maintain a competitive edge over their competitors.

Most importantly, the findings of this study bring to light the moderating role of proactive personality. The literature reviewed in this study paid negligible attention to the use of proactive personality as a moderator; rather they considered it as an independent variable. Among other studies, Seilbert and Kraimer (2001) studied the relationship between proactive personality and career success. Although the findings were positive, proactive personality was directly linked to career success. Yang and Chau (2016) also examined the relationship between proactive personality and obtained positive findings. In the pursuit of career success individuals are likely to encounter both individual and organizational constraints that may be a stumbling block to their career prospects. The interaction between organizational sponsorship and proactive personality can facilitate the achievement of career success amidst such constraints.

Social cognitive career theory emphasizes on the interactive nature of individual variable such as personality and environment factors such as organizational sponsorship forming a complex interaction that propels an individual to achieve the expected career related goals. This theory finds its support from the results of this study that has demonstrated that the interaction of proactive personality and organizational sponsorship contributes to career success. This means that proactive individuals are able to influence their environment positively and hence are able to gain organizational sponsorship that is necessary to facilitate their career success. In addition to this they are able to work out their career success despite the obstacles and the challenges that they may encounter.

5 CONCLUSIONS, IMPLICATIONS AND FUTURE RESEARCH

This study has established that offering organizational sponsorship leads to the staff's career success and that this relationship is moderated by proactive personality. Consequently, the study recommends that manufacturing firms should enhance their managers' career success by providing them with organizational sponsorship programs. The identified beneficial programs include training mentorship, supervisor support and financial and non-financial resources. Secondly, the study shows that proactive personality is a moderator in the study with career success as the dependent variable, something that had been ignored by the previous studies that had

conceptualized it as an independent variable. Apart from this, to a larger extent it helps to provide direction on the unresolved argument in the existing theoretical literature on whether proactive personality is a desirable or undesirable trait with respect to organizational sponsorship and career success. At the same time the study provides direction on the measures of subjective career success through successful use of career satisfaction as a measure of subjective dimension of career success.

The findings have implications for managerial practice particularly in recruitment and selection of managerial staff. Hiring firms might consider individuals with proactive personalities who can better fit and are proactive in bringing the necessary acceptable changes to the organization while at the same time being capable of achieving career success to the benefit of the organization through their commitment in their jobs. In this era where most organizations perceive career development as the responsibility of the individual staff, firms can take advantage of the situation to offer these practices to their employees not only to enhance their individual career success but also to capitalize on these practices to make their employees more competent, more loyal and committed to the organization and maintain a competitive edge over the companies within the industry.

The use of cross-sectional survey design may not measure the causal effects accurately on the observed relationships between study variables and therefore may not depict the exact association that exist between organizational sponsorship, proactive personality and career success of managers in large manufacturing companies in Kenya. Longitudinal study would have been appropriate though this was not possible because of the limited time. Further, career success was measured using perceptual data only; secondary data would have added more value by verifying the information given by the respondents. This was not possible since most organizations were reluctant to provide their secondary data. The prevailing fear was on the leakage of information to their competitors. For measuring objective CS, secondary data would have been very necessary to provide more valid results on the association among between the variables. The study was undertaken among managerial staff in manufacturing sector only. Measures of objective career success for instance; salary may differ in different sectors and professions. The variation may be in terms of the perceived prestige attached to the profession or job groups and grades. These findings hence must be used with caution because they may not be applicable to other sectors like education sector and so on.

This study used cross-sectional research design, future research should employ longitudinal research design to assess the relationship between organizational sponsorship and career success and also organizational sponsorship, proactive personality and career success. The causal relationship between organizational sponsorship and career success requires time, career success is not a one-time off experience but a life-long experience. Besides, employees have to be in an organization for a given period of time to benefit from sponsorship. In addition to this, career success was assessed using perceptual data only, Future research may benefit from using multiple sources of data and especially secondary data when measuring objective career success. The current study was carried out among managerial staff in manufacturing sector. Future studies can focus on other sectors and on other professionals. It would be interesting to find out what employees in other sectors, professions and countries perceive as career satisfaction and also what they value as far as objective career success is concerned. Furthermore, it would be important to find out whether proactive personality is considered an important trait across other professions and sectors when it comes to organizational sponsorship.

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Research Note

Criminal thinking and pre-employment integrity testing: correlations between the Texas christian university criminal thinking scales and critical hire-screen

Anthony Tatman, Matthew T. Huss

ABSTRACT

The five-factor model of personality (FFM) has been widely used to explain traits measured by tests of integrity. However, the FFM has not fully explained what integrity test scores measure. The aim of the present study was to explore the degree to which integrity test results correlated with measures of criminal thinking and attitudes. Methods used in this study consisted of adult probation and parolees in the United States completing the Texas Christian University Criminal Thinking Scales and Critical Hire-Screen. Results revealed that criminal thinking and attitudes were significantly correlated with integrity test scores.

KEY WORDS

integrity tests, criminal thinking, five factors

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1 INTRODUCTION

Integrity tests have become one of the most frequently used methods for identifying potential counterproductive work behaviors among job applicants and employees (Fine et al., 2010). The use of integrity tests has grown exponentially since the enactment of the Employee Polygraph Protection Act of 1988, which prohibited the use of pre-employment polygraph assessments for all but a select few employment settings. The first generation of integrity tests following this Act were developed as tests of dishonesty in place of the polygraph (Berry, Sackett & Wiemann, 2007). Integrity tests have since grown in scope and purpose to measure a wide variety of counterproductive work behaviors such as violence, theft, or drug use in the workplace, and found to be significantly predictive of future job performance and counterproductive work behaviors (Fine, 2013; Fine et al., 2010; Jones, Cunningham, & Dages, 2010; Marcus, Ashton, & Lee, 2013; Ones, Viswesvaran, & Schmidt, 1993; Schmidt & Hunter, 1998; Tatman, 2018b; Wanek, 1999). However, despite their widespread use and strong criterion validity, there is a lack of consensus regarding what integrity test scores actually measure, and the basis for the relationship between integrity tests and job performance. Much of the existing research explaining this relationship has predominantly incorporated the five-factor model of personality (FFM; Wiggins, 1996) into their descriptive models (Barrick & Mount, 1991; Ones & Viswesvaran, 1996; Salgado, 2002; Schneider, Hough, & Dunnette, 1996; Viswesvaran & Ones, 2000). Within this line of research, the FFM, and particularly the personality factor Conscientiousness, has provided significant contributions to the overall variance of integrity scores. However, others question the degree to which the FFM, and specifically Conscientiousness, explain integrity test results. Murphy and Lee (1994), for example, reviewed 3 relevant meta-analyses and found that statistically removing Conscientiousness from measures of integrity had only a small effect on integrity test validity. However, removing measures of integrity from Conscientiousness reduced the criterion-related validity to near zero. In other words, Conscientiousness appeared to contribute very little above and beyond what was already captured by integrity itself. Marcus, Hoft and Riediger (2006) generated similar conclusions in their analysis of the FFM and integrity test scores, and concluded

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“...personnel psychology has something to discover...beyond the FFM. ...This may lead to concepts that are essentially different from the traits currently organized within the FFM. Attitudes may be one candidate for such an extension.” (p. 126).

Marcus and Schuler (2004) provided a unique contribution, and alternative theory, to the existing research on the FFM and integrity tests by incorporating Gottfredson and Hirschi's (1990) concept of self-control into their conceptual framework. Gottfredson and Hirschi's General Theory of Crime proposed self-control as being the core construct explaining criminal beliefs and activity, and defined self-control as an individual's “tendency to avoid acts whose long-term costs exceeded momentary advantages” (Hirschi & Gottfredson, 1994, p. 4). Using Gottfredson and Hirschi's General Theory of Crime, Marcus and Schuler postulated that since self-control is the tendency to consider the long-term consequences of one's behavior, and counterproductive work behaviors (i.e., the primary constructs measured in integrity tests) are behaviors with potentially negative, long-term consequences, the lack of self-control should then significantly correlate with counterproductive work behaviors. Their subsequent analysis supported this hypothesis, finding that, of the 24 different variables studied, self-control was the strongest correlate with counterproductive work behaviors. In response to this finding they wrote “With respect to personality variables other than self-control in this study, it is striking that most of them showed substantial bivariate correlations with general counterproductive behaviors, but these relationships disappeared almost entirely when self-control was taken into account” (p. 658). In other words, results obtained by Marcus and Schuler suggest that self-control, which is a core component of criminal activity via Gottfredson and Hirschi's (1990) General Theory of Crime, provides a unique and potentially supplementary explanation and conceptualization for integrity test scores above and beyond the FFM.

Based on this line of research, the present authors postulated that since self-control significantly correlates with counterproductive work behaviors (Marcus & Schuler, 2004), and Gottfredson and Hirschi's General Theory of Crime places self-control as a core component of criminal beliefs and activity, then criminal attitudes and beliefs themselves should also be associated with counterproductive work behaviors. To measure this hypothesis the following research question was proposed: Are criminal attitudes and beliefs correlated with counterproductive work behaviors?

2 METHODS

2.1 PARTICIPANTS

Participants for this study consisted of a convenience sample of 359 adults (235 males and 104 females) on probation or parole supervision within three different Midwestern judicial districts in the United States (Table 1).

Table 1: Sample demographics

		N	%
Gender	Male	235	65.46%
	Female	104	28.97%
	Gender not identified	20	5.57%
Age	18-24	57	15.88%
	25-34	110	30.64%
	35-44	93	25.91%
	45-54	49	13.65%
	55-64	28	7.80%
	65+	2	.56%
	Age not identified	20	5.57%
Race / Ethnicity	Caucasian	284	79.11%
	African American	37	10.31%
	Hispanic	15	4.18%
	"Other"	3	.84%
	Did not report	20	5.57%

2.2 MEASURES

The Critical Hire® - Screen (CH-S; Tatman, 2018a) was used to measure counterproductive work attitudes and beliefs. The CH-S is a pre-employment, integrity test developed with norms specifically for law enforcement and correctional employees and applicants and is currently used by various law enforcement and correctional departments within the Midwest region of the United States. It is a self-report measure containing historical, direct admission questions inquiring about past work and legal experiences, and opinion questions addressing personal attitudes and core beliefs about five counterproductive work behaviors: Substances ($\alpha = .79$; $M = 11.5$; $SD = 1.98$; opinions regarding the use or selling of drugs in the workplace, and/or use of alcohol in the workplace), Theft ($\alpha = .77$; $M = 8.0$; $SD = 2.47$; opinions regarding theft in the workplace), Authority ($\alpha = .64$; $M = 9.67$; $SD = 1.49$; opinions about management and authority), Rules & Deception ($\alpha = .77$; $M = 10.28$; $SD = 3.0$; opinions regarding rule breaking, manipulating others, and deceptive behaviors), and Responsibility ($\alpha = .74$; $M = 2.97$; $SD = 1.13$; the degree to which an applicant places blame on victims for crimes committed against them) (Tatman, 2018a; Tatman & Huss, 2018). The CH-S has been found to have adequate internal consistency and concurrent validity (Tatman & Huss), as well as accurately discriminates between high risk offenders on probation or parole supervision (i.e., individuals prone to criminal thinking and attitudes condoning criminal behaviors) from individuals not on probation or parole supervision (Tatman, 2018a). The CH-S has also been found to have strong criterion validity by showing a 90% accuracy rate in correctly classifying employees independently identified by supervisors as being employees the supervisor would not hire again (Tatman, 2018b). The CH-S has also been found to have moderate to strong test-retest reliability over an average retest frequency of 79.80 days: Substances (.80), Theft (.76), Authority (.77), Rules & Deception (.75), Responsibility (.76), and IMS (.84) for 100 applicants who took the CH-S as they applied and reapplied for correctional officer positions (Tatman & Huss).

The Texas Christian University Criminal Thinking Scales (TCU CTS; Knight, Garner, Simpson, Morey, & Flynn, 2006) was used in this study to measure criminal attitudes and beliefs. The TCU CTS is a self-report measure of criminal thinking patterns and attitudes. The TCU CTS measures six dimensions of criminal thinking: Entitlement ($\alpha = .78$; $M = 19.74$; $SD = 5.91$; high scorers misidentify wants as needs, believe the world "owes them" and that they deserve special attention), Justification ($\alpha = .75$; $M = 21.30$; $SD = 6.74$; high scorers minimize serious antisocial acts and justify their actions), Power Orientation ($\alpha = .81$; $M = 25.76$; $SD = 7.62$; high scorers are aggressive and manipulative to gain power and control), Cold Heartedness ($\alpha = .68$; $M = 22.93$; $SD = 6.69$; high scorers are callous and lack emotional connection with others), Criminal Rationalization ($\alpha = .71$; $M = 32.32$; $SD = 7.91$; high scorers hold negative attitudes toward law and authority), and Personal Irresponsibility ($\alpha = .68$; $M = 21.88$; $SD = 6.73$; high scorers exhibit an unwillingness to accept responsibility for their own actions). Knight et al. (2006) also found strong 1-week test-retest reliability coefficients for each of the six scales: Entitlement (.69), Justification (.70), Power Orientation (.81), Cold Heartedness (.66), Criminal Rationalization (.84), and Personal Irresponsibility (.75).

2.3 PROCEDURES

Participants were residing in residential correctional facilities at the time of data collection and were approached by correctional staff to complete a hard-copy survey which included the CH-S and TCU CTS. Participants were informed about the voluntary nature of their participation, and that their participation or answers would not be shared with their probation or parole officers. Participants were not provided with incentives for their participation. Although it is unknown how many individuals declined to participate, 363 surveys were returned with four surveys being incomplete, reducing the final sample to 359 participants.

3 RESULTS & CONCLUSION

Means, standard deviations, and Cronbach alphas for the CH-S and TCU CTS are provided in Table 2. Pearson correlation coefficients were calculated between the various CH-S and TCU CTS factors to measure the degree to which integrity factors measured by the CH-S were associated with criminal thinking and attitudes measured by the TCU CTS. Results indicated that the CH-S has significant correlations with the TCU CTS (Table 3), providing initial evidence that pre-employment, integrity test factors on the CH-S are significantly correlated with criminal attitudes and beliefs. This finding contributes to the existing literature (Barrick & Mount, 1991; Marcus, Hoft & Riediger, 2006; Ones & Viswesvaran, 1996; Salgado, 2002; Schneider, Hough, & Dunnette, 1996; Viswesvaran & Ones, 2000) by suggesting that pre-employment, integrity assessments not only measure elements of Conscientiousness but also an individual's propensity for criminal thinking and attitudes.

Table 2: Means, Standard Deviations, and Cronbach alphas for the Critical Hire®-Screen (CH-S) and Texas Christian University Criminal Thinking Scales (TCU CTS)

	Mean	SD	Alpha
TCU CTS			
Cold Heartedness	22.19	7.21	.78
Entitlement	17.75	6.07	.88
Personal Irresponsibility	20.16	6.92	.71
Power Orientation	23.82	6.98	.79
Criminal Rationalization	28.30	8.53	.84
Justification	19.46	6.14	.80
CH-S			
Substances	10.57	3.35	.85
Theft	8.56	2.81	.81
Authority	10.50	2.90	.65
Rules & Deception	11.43	3.88	.85
Responsibility	3.83	1.53	.70

Source: Own research

Table 3: Correlations Between the Critical Hire®-Screen (CH-S) and Texas Christian University Criminal Thinking Scales (TCU CTS)

TCU CTS	CH-S				
	Substances	Theft	Authority	Rules & Deception	Responsibility
Full Scale	.66	.65	.47	.78	.60
Cold Heartedness	.31	.24	.19	.32	.36
Entitlement	.72	.71	.39	.76	.61
Personal Irresponsibility	.56	.53	.44	.63	.52
Power Orientation	.45	.48	.33	.61	.45
Criminal Rationalization	.38	.38	.41	.52	.32
Justification	.59	.63	.35	.70	.48

Note: All correlations were significant beyond $p = .000$.

Source: Own research

In addition to contributing to the existing literature conceptualizing integrity test results, the present findings also provide valuable information for CH-S consumers by offering additional correlates of potentially underlying belief systems associated with integrity test score results. For example, these findings would suggest that examinees endorsing support for theft or rule violations in the workplace may also have an underlying sense of personal entitlement (i.e., TCU CTS Entitlement). Similarly, examinees condoning rule violations, manipulating others, and deceptive behaviors for personal gain (i.e., CH-S Rules & Deception) may also have an underlying sense of entitlement (i.e., TCU CTS Entitlement), struggle with personal responsibility (i.e., TCU CTS Personal Irresponsibility), and have a heightened propensity for minimizing antisocial acts and justifying their actions (i.e., TCU CT Justification). Knowing that elevations on specific integrity test factors (e.g., Theft) may co-occur with more ingrained or underlying beliefs supporting and justifying antisocial activity and personal entitlement may add to the overall conceptualization of that particular job applicant. On a psychometric level, these findings provide empirical evidence for the content validity for the CH-S as a measure of criminal thinking and attitudes. The intention of the CH-S, as well as other pre-employment integrity measures, is to investigate the applicant’s propensity to hold problematic attitudes or beliefs around key counterproductive work behaviors. By identifying significant relationships between CH-S factors and TCU CTS factors this study provides supportive evidence that the CH-S measures constructs as intended.

As with any study the present analysis has limitations that should be mentioned. Primarily, to this author’s knowledge, this study is the first to measure the degree to which criminal thinking and attitudes are associated with pre-employment integrity test scores. Therefore, these results should be interpreted tentatively until subsequent research can support the present findings. Subsequent research is recommended to investigate if the present findings replicate to enable more confident generalizations.

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Boards' involvement in strategic human resource decisions: towards an integrative model

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ABSTRACT

The recent studies of corporate governance has been focused mostly on investigating the association and correlation between board's characteristics and organizational performance. However, boards effectiveness, as crucial internal mechanism of corporate governance, is indirectly, but not completely determined by its structural characteristics. Board's involvement in strategic decision making has significant impact on the assessment of board's effectiveness and board's power is a critical factor in deterring board's ability to perform their strategic role. Therefore, the aim of this paper is to analyse the character of board's involvement in strategic human resource decisions. In order to achieve this objective, we have analyzed the corporate government's theories and their implication for board's involvement in SHRM. In addition we offer a comprehensive model of board's involvement in SHRM.

KEY WORDS

corporate governance, board's involvement, SHRM

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1 INTRODUCTION

The number of studies that aim to determine the factors that have influence on board effectiveness has risen. However, most of them are trying to find certain association and correlation between board's characteristics and organizational performance. The actualization and popularity of this research approach in corporate governance has been increasing especially in the last two decades. Nevertheless, the understanding and measuring board effectiveness is a complex issue. Boards effectiveness, as crucial internal mechanism of corporate governance, is indirectly, but not completely determined by its structural characteristics (Van den Berghe and Baelden, 2005; Levrau and Van den Berghe, 2007). Board's power is a critical factor in deterring board's ability to perform their strategic role (Gavin, 2012). Therefore, the structural approach that is widely used in corporate governance research need to be enhanced with more qualitative studies that are going to give deeper understanding of board's involvement in strategic decision making.

The aim of this paper is to analyse the character of board's involvement in strategic human resource decisions. In order to achieve this objective, we have analyzed the corporate government's theories and their implication for board's involvement in SHRM. In addition we offer a comprehensive model of board's involvement in SHRM.

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2 THEORIES OF CORPORATE GOVERNANCE

The key theories in corporate governance are briefly described in the following pages. According to Jensen (2001), the firm must have single goal and social welfare is maximized when all firms in an economy attempt to maximize their own firm value. In this terms, the “firms value is simply the long-term market value...” (Jensen, 2001, p. 11). Therefore, “the manager is the agent of the individuals who own the corporation or establish the eleemosynary institution, and his primary responsibility is to them” (Friedman, 1970). This are the main ideas of the shareholder theory.

However, the main premise in the stakeholder theory is that there a number of groups within and outside an organization that have influence or are inflicted by the decisions made by the management of an organization. The stakeholder theory has redefined perspective of the organizational objectives and suggests that the main organizational goal is to adequately coordinate the interests of the different groups of stakeholders (Evan and Freeman, 1993).

According to Jansen and Fama (1983), the separation of ownership and management leads to agency problem. The agents (managers) give prorate to their personal interests instead of the shareholder interests. Jensen and Fama (1983) argue that the solution for this problem is in separation and diffusion of decision management and decision control (p. 309). In this terms, managers should be responsible for the decision management (that includes decision initiation and implementation), and directors should be responsible for decision control (that includes ratification and monitoring). As a result to this, in relation to board composition, agency theory has two normative suggestions: 1. the majority of board members should be outside or independent directors, and 2. it is necessary to avoid CEO duality (Kiel и Nicholson, 2003). Jensen (1993) argues that boards with more than 7 or 8 members are less effective and are more easily controlled by the CEO. Agency theorists suggest that boards should be more independent from top management teams, smaller and accountable and with an independent board chair (Dubbin и Jung, 2007, p. 30/31). Board independence is expected to have positive impact on organizational performance (Wang, 2009).

The main assumption of the stewardship theory is that managers are collectivists, pro-organizational and trustworthy (Davis et al, 1997). This theory is based on the assumptions in organizational psychology and organizational sociology. The stewardship theorists claim that critical factor for increasing shareholder returns is a correctly design organization structure which allow the CEO to take effective action (Davis et al, 1997). According to Donaldson (1990) the most effective boards are those in which the majority of the members are insiders and in which the CEO has dual role. In fact, the authors of stewardship theory do not support the concept of board independence, that has gained a significant popularity in the last few decades in the USA.

The resource dependence theory points that the control of the environment is crucial for organizational survival and for creating competitive advantage. This can be done with cooptation. Cooptation, in terms of board structure and composition, indicate hiring directors that are able to connect the organization with the important elements in the environment. According to the resource dependence theory the board is an instrument for managing the organizational environment and, therefore, board size is directly connected with organizational size. In addition, this theorists reason that “...firms with greater needs for access the capital markets would be expected to have a smaller percentage of inside directors...” (Pfeffer, 1972, p. 222). Authors that extent this theory, at the beginning of the XXI, “...suggests that different types of directors will provide different beneficial resources to the firm. As a result, more diverse board will provide more valuable resources, which should produce better firm performance” (Carter et al, 2010, стр. 398).

“The contingency approach may be seen as covering two areas of analysis: first, leadership theory and the 'micro' problems of motivation and productivity in the work group; and secondly, organization theory with its more 'macro' problems of designing organization structures and systems” (Redding, 1976, p. 199). In the past decade, this approach was used in studies focused on researching which contingencies have an impact on the effectiveness of corporate governance practices. According to the contingency theory the role of corporate governance is likely to differ in accordance with the changes in the crucial contingencies in the organizational environments (Aguilera et al, 2008). In other words, “the effectiveness of corporate governance would depend on a firm’s size, age, phase, and the character of industries and innovation” (Ghofar and Islam, 2015, p.19).

In summary, the theories used in corporate governance that are trying to provide better understanding of the boards’ roles and effectiveness can be divided in four main approaches: the shareholder theory approach, the stewardship theory approach, the stakeholder theory approach and the context- dependent organizational theories approach (Martin et al., 2012). In the following table are presented the main corporate governance theories and their links to strategic human resource management.

Table 1. Theories of corporate governance and their implications for SHRM

Theories	Implications for SHRM and organizational governance	Implications for role of HR
<p>Traditional shareholder value model</p> <p>Aim: to explain how shareholder maximize returns on their investments</p>	<p>Unitary view of firm</p> <p>Focus on returns on human capital and 'hard' HRM, including cost to income ratios and flexibility</p> <p>'Exclusive' talent management policy</p> <p>Leader-centric view of organization</p>	<p>HR as guardians of talent management and advisers of value-adding core employees</p> <p>Limited role in board selection, development and remuneration</p> <p>HR focus on cost control, with limited strategic role</p>
<p>Stewardship theory</p> <p>Aim: concern to rescue shareholder value</p>	<p>Essentially unitary theory of firm</p> <p>Leaders as guardian of shareholder value, but with duties to act as steward</p> <p>Soft HRM privileging employee engagement</p> <p>Balance between 'exclusive' and 'inclusive' talent management policies</p> <p>Reputation of firm as employer seen as key issue</p> <p>Relaxed business case for corporate social responsibility (CSR)</p>	<p>HR as guardians of more sophisticated approach to HRM</p> <p>HR as guardians of corporate culture</p> <p>HR as guardians of leadership development and potential role in board development</p>
<p>Stakeholder theory</p> <p>Aim: Boarder understanding of effectiveness by recognizing wide range of legitimate interests in firm over economic and non-economic goals and values</p>	<p>Essentially pluralist theory of the firm</p> <p>Focus on employee as key stakeholders with rights and as 'subjects-within-themselves'</p> <p>Soft and hard power and HRM can both be justified in different circumstances</p> <p>Fairness and tolerance as key principles</p> <p>Distributed leadership model</p> <p>Reputation of firm for social legitimacy as a core concern</p>	<p>HR as promoters of pluralism, including economic and non-economic goals</p> <p>HR as promoters of corporate citizenship and ethical policies</p> <p>HR as promoters of distributed leadership</p>
<p>Context-dependent organizational theories</p> <p>Aim: To show that different corporate governance practices and goals may be more or less effective/acceptable in different contexts</p> <p>No universal governance practices</p>	<p>No one best way of organizing corporate governance and HRM</p>	<p>HR needs to be sensitive to context and contributors to cost effectiveness, contingent and complementary HR policies and practices</p>

Source: Martin and Gollan, 2012

3 TOWARDS A MODEL OF BOARD INVOLVEMENT IN STRATEGIC HUMAN RESOURCE MANAGEMENT

In order to develop better understanding of the boards' involvement in strategic human resource management, in Figure 1 is presented an elaborated model. The model has four elements, which include: antecedents of boards' involvement, key areas of involvement, effects of board involvement in SHRM and mechanisms for increasing boards' involvement in strategic human resource decisions. All the elements of the model are going to be separately described and discussed.

1 ANTECEDENTS OF BOARD INVOLVEMENT IN SHRM

The antecedents of board involvement in SHRM can be divided in two groups: External factors and internal organizational factors. The external factors include the legal framework and the environmental uncertainty.

The legal framework is important in the analysis of boards' involvement in SHR decisions. Namely, in a two-tier board system, the management board is responsible for decision, management, and the supervisory board is responsible for decision control. In one-tier board system, both, decision management and decision control are responsibility of the boards' of directors. According to the Maassen, G.F. (2002) board composition and board leadership structures may account for problems associated with the independence of one-tier boards, while the description of two tier board models may suggest a positive association between the composition and the leadership structure and the separation of decision management from decision control in two-tier boards. In this way, the characteristics of the two-tier board model suggest that the formal division of board roles between executive and non-executive directors may reduce agency costs and may simplify directors' duties and liabilities. Therefore, a two-tier board system may be more efficient in addressing the strategic issues, including the decisions in the area of SHRM.

According to Hendry and Kiel (2004) the boards' involvement in strategic roles is determined by the level of uncertainty in the environment. They suggest that when environmental uncertainty rises than the boards are more focused on behavior and on their strategic role.

The internal organizational factors include: ownership structure, board structure and composition, individual factors (such as: directors experience and personal characteristics).

Ownership structure, defines as ownership concentration has been analyzed as an determinant of boards involvement in strategic decision making in various studies (e.g., Baysinger et al., 1991; Beatty and Zajac, 1994). However, the suggestion of Ravasi and Zattoni for considering ownership as a multi-dimensional construct, might be more productive in the attempt to develop a more sophisticated model of boards' involvement in strategic human resource decisions. Namely, the ownership structure has different aspects (degree of concentration, heterogeneity of interests, etc.) that influence the board's functions in different ways.

Board composition commonly refers to the proportion of inside and outside directors in the board, whereas board structure refers to the leadership structure (CEO duality) and does the board has committees and subcommittees. In regard to the board composition, various studies have shown that the presence of outside directors has been positively associated with boards' involvement (Johnson et al., 1993 and Dahya and McConnell, 2005). The board's leadership structure has been analyzed in different ways and the results are inconclusive. Ruigrok et al. (2006) suggest that CEO duality is negatively associated with board involvement, while Ogbechie et al. (2009) do not detected relation between CEO duality and board involvement. On the other hand, some studies indicate that the chairs' leadership style has influence of the boards' involvement in strategic decision making Bailey and Peck (2013).

The personal characteristics of the boards' members and their experience include the individual cognitive capabilities of the directors, their ethical views and background. Balta et al. (2010) have found that educational level affect both the financial reporting and the hierarchical decentralisation in the strategic decision-making process. However, this study shows that the educational specialty did not appear to have any significant influence on the strategic decision-making process

2 KEY AREAS OF BOARDS' INVOLVEMENT IN SHRM

Bain and Barker (2010) have defined several responsibilities to the boards that are directly connected with the human resource management in the organization. This responsibilities include approval of (p. 7-8):

- a) The appointment and the removal of the managing director, other executive directors of the company secretary;
- b) The appointment or removal of other directors recommended by the nomination committee;
- c) The rules and duties of the chairman and managing director and their discretionary powers;
- d) The arrangement of directors' and officers' liability insurance;
- e) And other matters that are indirectly influencing the human resource management policies such as: the approval of the approval of the health and safety policy and the value statements and systems to monitor how the organization's values apply in practice.

According to a recent EY survey the four key areas of human resource management that should be priority for the boards and the corporate government system of the company include: executive compensation, succession planning, diversity and inclusion and talent strategy (Ernst & Young, 2014).

Executive compensations

The boards' role in the decisions of the executive compensations in the previous studies has been analyzed from two different approaches. Bebchuk and Fried (2003) have synthetizes these approaches as:

- a) optimal contracting approach, used by the financial economists that views managers' pay arrangements as a (partial) remedy to the agency problem. Under this approach "boards are assumed to design compensation schemes to provide managers with efficient incentives to maximize shareholder value" (p. 72) and
- b) managerial power approach, that views executive compensation as part of the agency problem itself.

They argue that "...managerial power and rent extraction are likely to have an important influence on the design of compensation arrangements. Indeed, the managerial power approach can shed light on many significant features of the executive compensation landscape that have long been seen as puzzling by researchers working within the optimal contracting model. ...managers' influence over their own pay might impose substantial costs on shareholders—beyond the excess pay executives receive— by diluting and distorting managers' incentives and thereby hurting corporate performance." (p.72)

In regard to the research of governance influence of the executive compensation, number of scholars have given their contribution. Namely, Deutch (2005) concluded that there is negative relationship between the percentage of outside directors and CEOs' incentive pay expressed as a ratio of total compensation. (p.433). On the other hand, the findings of Guthrie et al (2012), have indicated that the impact of the independent directors on the CEO pay may not be significant. The study of Ntim et al (2017), has indicated that in a context of concentrated ownership and weak board structures, the second-tier agency conflict (director monitoring power and opportunism) is stronger than the first-tier agency problem (CEO power and self-interest). It can be concluded that the findings of the studies on the correlation between governance structures and executive compensation are not consistent.

Succession planning

Executive and top management succession planning is crucial organization process since it affects organizational dynamics and growth. Designing formal process of succession planning and establishing long term and emergency succession plan for the key management positions is one of the fundamental boards' responsibilities.

The key elements of the succession management process are the identification of the future requirement of the organization, the identification and development of leadership talent and the ability to identify results (Lynn, 2001). According to Lynn (2001), succession management is a cyclical process designed to ensure organizational continuity through timely, adaptive, and ongoing change in the development and deployment of leadership talent.

Hansen and Wexler (1988) have identified four strategies that are used in succession planning:

- a) Crown Prince-Identifying and nurturing a single heir for each position
- b) Slate-Having a limited number of qualified candidates (two to four) available to fill a vacancy.
- c) Pool-Developing a reservoir of qualified employees capable of filling any number of positions.
- d) Wave-Choosing a single heir from a small reservoir of individuals who have been carefully selected by the organization, and/or have been developed over a period of time, perhaps ten or more years in advance. Generally, no individual in this reservoir is slated for any particular position until it must be filled.

However, all of the mention strategies have strengths and weaknesses. Which strategy is going to be implemented mainly depends on the succession contingencies (such as, industry and organizational characteristics and board power and the organizations previous experience in succession planning.

Despite the importance of the succession planning for the organizational continuity, surveys from the past decade have indicated that there is lack of preparedness of the board in regard to this issue and that board members have insufficient knowledge about the internal candidates (Heidrick and Struggles, 2010).

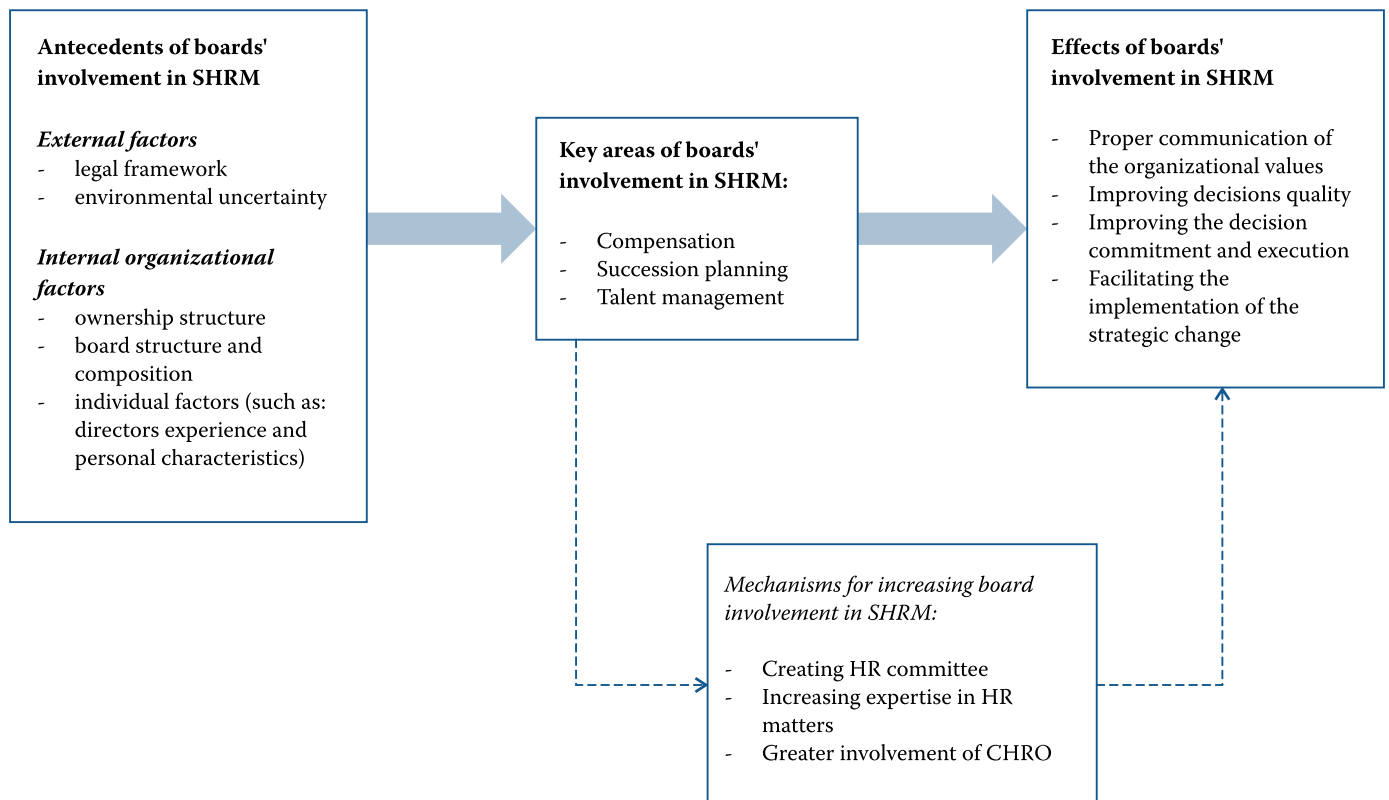
Talent management

In order to build capacities for organizational success in the future, the company needs to develop a talent strategy. "A talent strategy makes explicit the types of investments an organization makes today in the people whom it believes will best help it achieve competitive excellence in the future" (Berger and Berger, 2011, p. 4). This strategy is crucial for building the competitive advantages on the long-run and therefore the boards members need to be involved in its formulation.

Strategic talent management is defined as "activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization"(Collins and Mellahi, 2009).

Board members needs to have asses to the relevant and accurate date regarding the human resources of the company. In today's highly competitive environment the board members needs to develop better understanding on the potential of the human resources that are available to the company, in order to plan and support its future growth.

Figure 1 Integrative model of boards' involvement in SHRM



3 EFFECTS OF BOARDS' INVOLVEMENT IN SHRM

The effects of boards involvement in strategic decision making in the contemporary literature has been analyzed mainly by their implications on the financial results. The recent studies in corporate governance in the past few decades are focused on determine the association between boards structural characteristics and firms financial performance. However, the board's involvement in strategic decision making is a complexed issue and has various effects on the behavior on the members of the organization and through that of the overall organizational performance.

According to Judge and Talaulicar, (2017), the effects of board involvement in the overall strategic decision making can be systematized in four groups that that include, (p.134):

1. environmental–level effects which include: environmental sustainability and community well-being;
2. organizational-level effects which refer to: accounting and market performance, fraud and illegal activities and strategic change;
3. board-level effects that include: decision quality, decision speed and decision commitment and board turnover;
4. director-level effects mainly referring to: director turnover and director reputation.

Therefore, all of the proposed effects of board's involvement in the strategic decision making can be analyzed as multi-dimensional constructs, including the effects of board's involvement in SHRM. In this paper we focus only on the boards' contribution in the SHRM, and the effects of board's involvement in SHRM should include:

- a) Proper communication of the organizational values;
- b) Improving decisions quality;
- c) Improving the decision commitment and execution;
- d) Facilitating the implementation of the strategic change.

4 MECHANISMS FOR INCREASING BOARD INVOLVEMENT IN SHRM

The most important mechanisms for increasing board's involvement in SHRM, described by Ernst & Young survey (2014, p.17-22) include:

- a) Creating HR committee – the task of the committee „is to review, report on and, if required, make recommendations to the Board of directors or management board on matters relating to human resource, and corporate diversity“ (p.22). In order to be able to make a contribution in addressing the SHRM issues in an appropriate manner, the HR committee composition is an significant aspect. Namely, when the process of determining the composition of the HR committee, means making an effort to include individuals that possess

- the necessary skills and experiences to exercise his/her role, but in the same time an individual that is willing to present and argument its opinion.
- b) Increasing expertise in HR matters - The lack of skill and expertise in HR matters is often seen as an issue. Therefore, often boards invite non-board members with adequate HR experience on the meetings, in order to acquire the necessary HR insights (p.18). As for the independent directors, it is important to have proper experience in compensation matters and talent strategy, and must have embedded the company's values in order to be able to give the contribution in the issues related to SHRM.
 - c) Greater involvement of CHRO - CHRO must spent more time on their advisory role to the board members for matters that are crucial for human resource development. They should be present on the meetings with the data for the metrics of the organization's human capital. In this way the CHRO can articulate the key information regarding the organization's capabilities and capacity and guide the crucial business decisions (p.19).

4 CONCLUSION

According to the analysis of the theories of corporate governance it can be concluded that there are four main streams that give different understanding of board's involvement in strategic human resource decisions (Martin and Gollan, 2012). The traditional shareholder theory is focused on the return of human capital and prefers 'exclusive' talent management strategies. The stewardship theory, in a way, is an extensions of the shareholder that that suggest implementation of more soft mechanisms for increasing employee engagement and increased focus on corporate reputation. In the stakeholder theory proposed that fairness and tolerance should be the main principal in HRM. Context-dependent organizational theories suggest that different practices should be applied in different situations.

According to the comprehensive model of boards involvement in SHRM, the key areas that should be addressed by the boards are compensation, succession planning and talent management. The antecedents of board's involvement in SHRM are systematized in two groups: external and internal. The most important external factors are the legal framework and environmental uncertainty. The internal organizational factors include: ownership structure, board structure and composition and individual factors (such as: director's experience and personal characteristics).

Finally, the effects of board's involvement in strategic human resources decisions include: proper communication of the organizational values, improving decisions quality, improving the decision commitment and execution, facilitating the implementation of the strategic change. The effect of boards' involvement in strategic human resource management should be analyses separately as independent research constructs in order to be achieved better understanding of the impact of boards' involvement on the overall boards' effectiveness.

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