4th Annual BSP-UP Professorial Chair Lecture

LECTURE NO. 2

Organizational and Individual Determinants of Success

Dr. Vivien Supangco
BSP-UP Centennial Professor of Business Administration
Organizational and Individual Determinants of Career Success

Vivien T. Supangco
College of Business Administration
University of the Philippines
Objective

- To identify organizational and individual factors affecting career success
Sample

- Population: 286 MBA Students enrolled in school year 2010-2011
- Sampling: Systematic sampling with random start
- Respondents: 76
Dependent Variable: Objective Measures of Career Success

- total cash compensation
- number of levels from the company president
Dependent Variable: Subjective Measure

- Career satisfaction scale developed by Greenhaus, Parasuraman, and Wormley (1990)
  - income,
  - advancement
  - skill development goals
  - general satisfaction with career progress.
- Reported coefficient alphas: .83- .89;
- Coefficient alpha in this study: .89
Independent Variables: Perceptual Measures

- Supervisory support: employees’ perceived support from supervisors in doing their job (Greenhaus, Parasuraman, and Wormley, 1990). Reported coefficient alpha: .90; coefficient alpha in this study is .92.
- Developmental experience: the extent to which organizations invest in formal and informal training and development for employees (Wayne, Shore, and Liden, 1977). Reported coefficient alpha .87; Coefficient alpha in this study is .90.
Independent Variables: Perceptual Measures

- Perceived organizational support: the degree to which their organizations value employee contributions and well-being (Eisenberger, 1986). Reported coefficient alpha values: .74 to .95; coefficient alpha in this study is .91.

- Role conflict: perceptions of incompatible roles expected by supervisors and other members of the organization (House, Schuler, and Lavanoni, 1983). Reported coefficient alpha values: .79 to .86; coefficient alpha in this study: .83.
Independent Variables: Perceptual Measures

- Role ambiguity: employees experienced absence of predictability, clarity, and certainty in their roles (Rizzo, House, and Lirtzman, 1970). Coefficient alpha values: .71 to .95; coefficient alpha in this study is .86. Due to the reverse wording of the statements, the term used in this study is role clarity.
Independent Variables: Perceptual Measures

- Procedural justice: extent to which employees provide inputs and are involved in decision making (Parker, Baltes, and Christiansen, 1977). Reported coefficient alpha value: .74; coefficient alpha in this study: .80
Independent Variables: Perceptual Measures

- Distributive justice: employees perceive their work outcomes—pay level, work schedule, workload, and job responsibilities—as fair (Nichhoff and Moorman, 1993). Reported coefficient alpha values: .72 to .74; coefficient alpha in this study: .84
Independent Variables: Non perceptual measures

- Organization size: average number of employees in the organization in 2009
- Department size: average number of employees in department in 2009
- Years of work experience
- Tenure in position
- Tenure in organization
- Number of organizations worked for
- Tenure in first organization (months)
Independent Variables: Non perceptual measures

- Mentoring: 1 when the individual has a mentor and 0 otherwise
- Gender: female was assigned a value of 1 and 0 otherwise
- Marital status: single was assigned a value of 1 and 0 otherwise
<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>MEAN/MODE</th>
<th>STANDARD DEVIATION</th>
<th>NUMBER OF OBSERVATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Compensation</td>
<td>P589,898.55</td>
<td>P351,695.52</td>
<td>69</td>
</tr>
<tr>
<td>No. of Rank Levels from Company President</td>
<td>5.4394</td>
<td>2.8073</td>
<td>66</td>
</tr>
<tr>
<td>Work Experience (Years)</td>
<td>6.81</td>
<td>4.71</td>
<td>76</td>
</tr>
<tr>
<td>Number of Organizations Worked For</td>
<td>2.53</td>
<td>1.38</td>
<td>74</td>
</tr>
<tr>
<td>Tenure in Organization (Years)</td>
<td>3.77</td>
<td>2.54</td>
<td>76</td>
</tr>
<tr>
<td>Tenure in Position (Years)</td>
<td>2.14</td>
<td>1.80</td>
<td>76</td>
</tr>
<tr>
<td>Tenure in First Organization (Months)</td>
<td>33.8750</td>
<td>33.4317</td>
<td>76</td>
</tr>
<tr>
<td>Mentoring Experience</td>
<td>Had Mentor: 76.3%</td>
<td></td>
<td>76</td>
</tr>
<tr>
<td>Gender</td>
<td>Male and Female: 50%</td>
<td></td>
<td>76</td>
</tr>
<tr>
<td>Civil Status</td>
<td>Single: 81.6%</td>
<td></td>
<td>76</td>
</tr>
</tbody>
</table>
## Table 2

### DETERMINANTS OF CAREER SUCCESS

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Model 1 Compensation</th>
<th>Model 2 Rank Levels from President</th>
<th>Model 3 Career Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Experience</td>
<td>.345**</td>
<td>-.191**</td>
<td></td>
</tr>
<tr>
<td>Tenure in Position</td>
<td></td>
<td>-.272**</td>
<td></td>
</tr>
<tr>
<td>Tenure in First Organization</td>
<td></td>
<td></td>
<td>.233*</td>
</tr>
<tr>
<td>Developmental Experience</td>
<td></td>
<td></td>
<td>.278**</td>
</tr>
<tr>
<td>Role Clarity</td>
<td></td>
<td></td>
<td>.379**</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>.258**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees in Department</td>
<td>.196*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees in Organization</td>
<td></td>
<td></td>
<td>.396**</td>
</tr>
<tr>
<td>Civil Status</td>
<td>-.382**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dummy for Outliers in Rank Level</td>
<td></td>
<td></td>
<td>.680**</td>
</tr>
<tr>
<td>R²</td>
<td>.567</td>
<td>.659</td>
<td>.414</td>
</tr>
<tr>
<td>F</td>
<td>18.661**</td>
<td>37.399**</td>
<td>12.536**</td>
</tr>
</tbody>
</table>
Organizational Factors Affecting Compensation: Department size

- resource dependence perspective: organizations manage their environments (Scott 1992).
- They engage in activities that enhance control over resources (Pfeffer & Salancik, 1978).
- Providing higher wages enhances chances at hiring important human resources.
Organizational Factors Affecting Compensation: Procedural justice

Employees given a say in important aspects of making decisions, exercise control over the outcome of their work:

- equitable outcome
- enhancing control of favorable outcomes, or
- leading to desired outcomes (Greenberg, 1990).
Individual Factors Affecting Compensation: Work experience

Human capital perspective: work experience provides an individual specific knowledge and skills that are valuable to the organization thus the individual enjoys rewards either through higher compensation or hierarchical status.
Individual Factors Affecting Compensation: Civil Status

- Married employees are perceived to be more responsible (Pfeffer & Ross, 1982)
- Decide based on several concerns including family responsibility (Huang, Lin & Chuang, 2006), thus are given more opportunities leading to career success
- Family responsibility signals motivation to work long hours and accept difficult assignments.
Levels from the president: Organization Size

- Larger organizations exhibit greater vertical complexity (Child, 1974).
- More promotion opportunities in larger organizations, but the steps to the top may also be longer (Whitley & Coetsier, 1993).
Individual Factors Affecting levels from the president: work experience

- human capital perspective: experience provides an individual specific knowledge and skills that are valuable to the organization, the individual enjoys its rewards either through higher compensation or hierarchical status.
Organizational Factors Affecting Career Satisfaction: Developmental experiences

Behaviors and attitudes in social exchanges in organizations are governed by the norm of reciprocity (Blau, 1964).

When organizations provide avenues through which employees satisfy their needs or achieve their expectations, employees reciprocate through higher performance, positive attitudes, and greater work satisfaction, among others (Prince, 2005).
Organizational Factors Affecting Career Satisfaction: Role Clarity

- Role clarity reduces tension, enhancing job satisfaction (Bedeian & Armenakis, 1981).
- Employees are able to manage the different demands from work and working, thus experiencing higher career satisfaction.
Individual Factors Affecting Career Satisfaction: Tenure in position

Workers track their own career advancement, provide a timetable for them to be in a position.

When one is in a position for too long, one feels dissatisfaction, and entertains withdrawal thoughts and behavior (Johnston et al., 1993).
Individual Factors Affecting Career Satisfaction: Tenure in first job

- Tenure in first job is an indicator of early career success. Employees who are not promoted have the tendency to entertain withdrawal intentions and behaviors (Johnston et al., 1993).

- Early career success facilitates late career success (Dreher & Bretz, 1991).

- Employees who experience early career success are seen by others more favorably; they also develop a strong sense of self-efficacy that enables further successes (Rosenbaum, 1984).
Limitations and Directions for Future Research

- Sample: MBA Students
- Homogeneous sample of MBA students: controls education
- Cross section limits generalization about causality
- Does not include personality dimensions
Direction for Future Research

Implications of null result of gender:

First, there exist income and status parity between female and male MBA students.

Second, it challenges the generalizability of findings on gender differential in income, status, and career satisfaction common in studies based on samples from the United States and Europe.

This result points to an interesting area of cross-cultural research on career success.