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Antecedents and Outcomes of Personnel Perceptions of the Effectiveness of Career Management Practices in the New Zealand Defence Force

A thesis presented in partial fulfilment of the requirements for the degree of
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Abstract

This research examined antecedents and outcomes of perceptions of the effectiveness of career management practices (PECMP) using a military sample. Past research has shown mixed results regarding the relationship between experiencing career management practices and organisational commitment and turnover intentions; however positive relationships have been found when *perceptions* of career management are measured. This present study hypothesised that PECMP would be positively related to commitment (affective and continuance) and job satisfaction and negatively related to turnover intentions. Based on the literature a number of variables were hypothesised as antecedents of PECMP. A sample of 436 Regular Force New Zealand Defence Force (NZDF) personnel responded to a NZDF attitude survey, which measured commitment, job satisfaction, turnover intentions, PECMP and 13 proposed antecedents of PECMP. Regression analysis showed that PECMP was positively related to affective commitment and job satisfaction but not to continuance commitment. Job satisfaction and affective and continuance commitment were negatively related to turnover intentions, with affective commitment the strongest contributor. PECMP was higher when career management was perceived as fair, sufficient feedback was given, personnel felt satisfied with their past career development, expectations were met, personnel felt they had input into their career development and personnel perceived the NZDF valued their career development. The study also found that one-to-two times per year was perceived as sufficient contact with a career manager and that the frequency of contact influenced attitudes towards the career manager. Personnel who defined their career as the military, opposed to their trade, were more affectively committed to the NZDF but not less likely to intend to leave. Personnel viewed career success differently (laterally and hierarchically), but this did not influence PECMP or career development satisfaction. This study provides empirical support for the benefits of effective career management in the reduction of voluntary turnover in the military via its influence on affective commitment and in turn, intentions to leave. The study also identifies features of best practice career management that should be used when designing and, most importantly, implementing career management.

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This report represents the views of the author only. It does not represent the view of the New Zealand Defence Force or any other party.

Table of Contents

Page

Abstract i

Acknowledgments ii

Table of Contents iii

List of Tables vi

List of Figures ix

Chapter 1: Introduction 1

- Careers and Career Management 3
- The NZDF 5
- The Military Culture 6
- NZDF Career Management 9

Chapter 2: Literature Review 11

- Turnover Research 11
  - Organisational Commitment 12
  - Job Satisfaction 14
  - Turnover Research Using Military Samples 16
  - Career Commitment 19
- Determinants of Organisational Commitment 21
- Career Management Models 23
- Social Exchange Theories and Career Management 25
  - Psychological Contract Theory 25
  - Organisational Support Theory 29
- Research on Career Management Practices 33
  - Actual Career Management Practices 33
  - Perceptions of Career Management Practices 35
- Antecedents of Perceptions of the Effectiveness of Career Management Practices 37
  - Fairness 39
  - Information 40
  - Feedback 41

Organisational Value of Career Management 41
Supervisor Support for Career Development 42
Career Manager 44
Career Planning 45
Future Career Development 48
Employee Input 48
Career Development Satisfaction 49
Links with Other Human Resource Practices 51

Chapter 3: Study Hypotheses 54

Chapter 4: Methodology 59
Research Design 59
Population/Sample 59
Measures 60
Procedure 68
Survey Administration 68
Analysis 69

Chapter 5: Results 70
Sample Description 70
Data Screening 72
Analysis 73

Chapter 6: Discussion 90
Affective Commitment, Continuance Commitment, Job Satisfaction and Turnover Intentions 90
Perceptions of the Effectiveness of Career Management Practices 93
Definition of Career 96
Antecedents of Perceptions of the Effectiveness of Career Management Practices 97
Contact with Career Manager 102
Definition of Career Success 103

Implications 104
Limitations 108
Conclusion 110

References 112
Appendix A: Survey Items 125
Appendix B: Survey Cover Letter 129
Appendix C: Survey Instructions Page 130
Appendix D: Outliers 131

List of Tables

Page

1: Factor Loadings for Principal Components Analysis of Commitment Showing Loadings Over .3 63

2: Distribution of Personal Demographics of the Final Sample and Population 70

3: Distribution of Demographics Related to the NZDF of the Final Sample and Population 71

4: Means and Standard Deviations for Research Variables 73

5: Pearson Product Moment Correlations Between Turnover Intentions, PECMP, Commitment, Satisfaction and Demographics (N=436) 74

6: Summary of Hierarchical Regression Analysis for Variables Predicting Turnover Intentions Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 (N=404) 75

7: Hierarchical Multiple Regression Analyses Assessing Affective Commitment as a Mediator of the Relationship Between PECMP and Turnover Intentions Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 77

8: Hierarchical Multiple Regression Analyses Assessing Continuance Commitment as a Mediator of the Relationship Between PECMP and Turnover Intentions Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 78

9: Hierarchical Multiple Regression Analyses Assessing Job Satisfaction as a Mediator of the Relationship Between PECMP and Turnover Intentions Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 80

10: Hierarchical Regression to Test the Moderating Effect of Continuance Commitment on Affective Commitment and Turnover Intentions, Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 (N=407) 81

11: Means and Standard Deviations for Affective Commitment for Career Definition Groups 82

12: Hierarchical Regression to Test the Moderating Effect of Career Definition on Affective Commitment and Turnover Intentions, Showing Standardized Regression Coefficients (Beta), R and Adjusted R^2 (N=389) 83

13: Means and Standard Deviations for Continuance Commitment By Career Definition Group 84

14: Pearson Product-Moment Correlations of PECMP as the DV, IV's and Demographic Variables (N=436) 85

15: Summary of Standard Regression Analysis for Variables Predicting PECMP, Showing Standardized Regression Coefficients (Beta), R Adjusted R^2 (N=357) 86

16: Number of Contacts with a Career Manager in the Last 12 Months by Contact with Career Manager Satisfaction 87

17: Means and Standard Deviations for Career Manager Satisfaction for Contact With Career Manager Satisfaction Groups 88

18: Means and Standard Deviations for Career Development Satisfaction For Career Success Definition Groups 89

19: Means and Standard Deviations for PECMP for Career Success Definition Groups 89

List of Figures

Page

1: Two Dimensional Model of Career Management Practices
(Baruch & Peiperl, 2000) 24

Capability Through People
A Strong, Satisfied and Successful Force

New Zealand Defence Force, Vision Statement

Chapter 1: Introduction

Retention of qualified personnel, as in civilian organisations, is a concern for the military. This concern has been identified by the New Zealand Defence Force (NZDF) in their Strategic Human Resource Plan released in 2005 where as at 30 June 2004 NZDF personnel were approximately 2500 below required strength (New Zealand Defence Force, 2005a). The NZDF attrition rates show that in the year preceding 1 October 2005, 15.12% of the NZDF population left the organisation. A number of human resource policies and practices can influence retention. One such practice is organisational career management, which may reduce voluntary turnover through its relationship to organisational commitment and/or job satisfaction. Career management is one of the key areas of dissatisfaction for NZDF personnel as identified by the NZDF attitude survey in May 2005 (New Zealand Defence Force, 2005b). This survey showed that between April 2004 and April 2005, 43.3% of the NZDF personnel sampled were dissatisfied by the way their career had been managed.

The aim of the present research, using a military sample, is to investigate the role that perceptions of effective career management practices (PECMP) play in influencing organisational commitment, job satisfaction and turnover intentions. Additionally, this research will investigate which features of organisational career management, as opposed to the practices per se, influence these perceptions of effectiveness. This research will be beneficial for the NZDF as retention of qualified personnel is a current concern.

This chapter begins by briefly elaborating on the two aims of this study. It then introduces the concepts of careers and career management. As the study is conducted with a military sample, it then discusses the NZDF and the unique aspects of the military culture, followed by a discussion of the career management practices currently being used within the NZDF. The following chapter is a detailed discussion of the research used to form the hypotheses for this study.

The study of retention more often focuses on its inverse, turnover. Some turnover is healthy for an organisation, but avoidable, voluntary turnover of functional and desired employees can be time-consuming, demoralising and expensive. Turnover costs have been found to range from 93% to 200% of a leaver's salary, depending on his or her skill and level of responsibility (Cascio, 2000; Johnson, 1995). These costs are made up of a number of factors including administration, paying out terminal benefits, re-training the replacement, re-selection costs and loss of experience and corporate knowledge. These costs equally, if not more, apply to the NZDF where 1) intensive military training exists, especially in the early years; 2) personnel are resource intensive requiring uniforms, equipment, medical and dental care; and 3) an inability to recruit laterally, due to the specific military training and knowledge required at higher levels, means military experience is a valued commodity.

In an attempt to devise practical solutions for organisations to reduce voluntary turnover, turnover research has focused on the attitudes and decision making processes involved in deciding to leave an organisation and characteristics (individual and organisational) that precede these attitudes and decisions. The most consistently found predictor of turnover is withdrawal cognitions (Griffeth, Hom & Gaertner, 2000), generally measured in the form of 'turnover intentions'. Turnover intentions are defined as a "general tendency to remain with or leave the organization" (Jaros, 1997, p. 321). Turnover intentions have received considerably more attention in the literature than actual turnover because of the consistent finding that withdrawal cognitions are the best predictor of actual turnover. In addition, relatively few people are likely to leave an organisation during a study and by the time actual turnover occurs it is often too late for an organisation to intervene (Arnold & Mackenzie Davey, 1999; Griffeth et al., 2000; Jaros, 1997).

A common component of turnover models is organisational commitment which has been shown to influence turnover intentions (e.g. Griffeth et al., 2000). It has been defined as "the relative strength of an individual's identification with and involvement in a particular organization" (Mowday, Steers & Porter, 1979, p. 226). Commitment is comprised of affective and normative commitment (one's emotional attachment to an organisation) and a cognitive component named continuance commitment (Meyer & Allen, 1991). Continuance commitment reflects the decision making processes of turnover that sees individuals evaluating their alternative options for employment along with the possible sacrifices of leaving their current employer (Meyer & Allen, 1991). Both of these components play an important role in the development of turnover intentions, along with the possibly less influential construct of job satisfaction (Griffeth et al., 2000; Hom, Caranikas-Walker, Prussia & Griffeth, 1992).

Research into the antecedents of organisational commitment has shown a number of organisational practices that correlate with commitment (e.g. Mathieu & Zajac, 1990; Meyer, Stanley, Herscovitch & Topolnytsky, 2002). The organisational practice investigated in this study is organisational career management. Based on social exchange theories (Robinson, Kraatz & Rousseau, 1994) it is proposed that PECMP will have a positive relationship with organisational commitment. It is also proposed that PECMP will have a positive relationship with job satisfaction and a negative relationship with turnover intentions. If PECMP does show relationships with these variables, then it is important for an organisation to know what variables influence PECMP. Few studies (e.g. Herriot, Gibbons, Pemberton & Jackson, 1994) have completed such research and, using an NZDF sample, this forms the basis of the second aim of this study.

Careers and Career Management

Careers are pivotal in society – everyone who has a job has a career and there is potential for this career to impact on lives further than the day to day work environment (Minor, 1992). The traditional concept of career was associated with an employment relationship "characterized by long-term employment with a single employer, and involving movement through a series of interconnected and increasingly prestigious and powerful jobs arranged within a hierarchy" (Tolbert, 1996, p. 331). According to practitioner magazines, newspaper articles and academic journals, the 'career' is not what it used to be (Parry & Proctor-Thomson, 2003). Careers are allegedly no longer embedded in stable and hierarchical organisations where long-term employment is found, but are now flexible and 'boundaryless' spanning multiple employers (Arthur, Inkson & Pringle, 1999; Parry & Proctor-Thomson, 2003). Additionally the linear and expert concept has been replaced by more lateral considerations where career progression can span functionally different roles rather than a hierarchical movement within one function (Brousseau, Driver, Eneroth & Larsson, 1996). This change in the career concept has been brought about by a number of issues including: economic pressures; downsizing; a willingness for new generations to self-manage their careers; and changes in the values of new generations, where climbing corporate ladders and organisational commitment are apparently not valued as highly as in previous generations (Brousseau et al., 1996).

A number of definitions of career have arisen since the study of them become popular in the 1970s. For the purpose of this research, a career is defined as "the pattern of work-related experiences that span the course of a person's life" (Greenhaus, Callanan & Godshalk, 2000, p. 9). This definition captures the trends over the years by not implying upward mobility nor dictating either way that a career is with a particular number of organisations (Walker, 1992; Arthur, 1992).

In its basic definition, career management is "a process by which individuals develop, implement and monitor career goals and strategies" (Greenhaus et al., 2000, p. 12). Strategies are the activities that help an individual attain their goal; monitoring involves receiving feedback from self and others. Career development, a practice related to career management, is "an ongoing process by which individuals progress through a series of stages, each of which is characterized by a relatively unique set of issues, themes and tasks" (Greenhaus et al., 2000, p.13). Literature on career management or development tends to use these terms interchangeably.

Career management can be organisational or individual. Organisational career management, the concern of this research, "is concerned with the organisation carrying out activities relevant to the career development of its employees" (Baruch & Peiperl, 2000, p.349). Individual career management is that initiated and executed by the individual. Although literature that discusses the new career concept suggests that organisational career management has become 'unfashionable', not required or not wanted (Baruch & Peiperl, 2000), employee surveys indicate otherwise. For example, recent New Zealand research, which surveyed 1354 managers at all organisational levels, found that 40% of the sample believed that career development is the responsibility of the organisation *and* the individual. Twenty-two percent of the sample believed career management is not the individual's responsibility at all, therefore indicating an expectation of organisational career management (Parry & Proctor-Thomson, 2003).

These findings suggest the need for a more collaborative approach between the individual and organisation. The findings also show that employees continue to expect some form of organisational career management which may arguably form part of their psychological contract with the employing organisation. Finally, as employees are assets and investments, organisations must use career management to develop their employees and enhance the supply of knowledge and information within the organisation (Greenhaus et al., 2000). This is perhaps more important in organisations that value organisational specific skills such as the military skill required in the NZDF.

To put the current topic in perspective requires an overview of the NZDF, the uniqueness of the military culture and how this sets it apart from other public and private sector organisations. The current career management system of the NZDF is also outlined. These issues are covered in the next three sections.

The NZDF

The NZDF, like other militaries is made up of three Services: Navy, Army and Air Force, each with different cultures and their own roles to play within the defence force and in the achievement of military objectives. The NZDF also has a Head Quarters which sees members of each Service working together to manage and govern the NZDF as a whole and Joint Forces responsible for overseas operational duties. The primary mission of the NZDF is "as an instrument of national power and the pursuit of strategic objectives up to and including the conduct of war" (New Zealand Defence Force, 2005a). Internationally required outputs in terms of peacekeeping and representational duties see NZDF personnel currently serving overseas in 15 different countries in both an operational and non-operational capacity (New Zealand Defence Force, 2005a). Regular Force (RF) personnel (full-time) numbers as at 1 October

2005 were 8679 with the largest Service being Army with 4441 personnel (New Zealand Defence Force, 2005a). The majority of RF Personnel are male (n=7252). The NZDF also has Non-Regular Force personnel who serve part-time, and both full and part time civilian employees who are not the concern of this research (New Zealand Defence Force, 2005a). Attrition rates (12 months rolling averages) as at 1 October 2005 were 13.78% for Navy, 18.84% for Army, 8.97% for Airforce and 15.12% for the NZDF RF as a whole (New Zealand Defence Force, 2005a).

Military personnel enter the NZDF on 'engagements' which can vary in length, but the initial engagement is not generally shorter than 6 years or longer than 15 years. The engagement can be terminated by the NZDF at anytime, by the individual following a three month 'notice period' (unless they are serving a compulsory return of service for resources the NZDF has provided them), or when the engagement expires. At the NZDF's discretion an individual may be offered a further engagement.

New Zealand labour force characteristics have a direct effect on the NZDF's ability to recruit and retain. New Zealand currently has a low unemployment rate (3.9%) which makes recruitment and retention more difficult as it increases employment opportunities outside the NZDF (New Zealand Defence Force, 2005a). In addition to this, New Zealand has an ageing population which is reducing the traditional recruit pool (18 to 24 years), some skill shortages resulting in higher competition for personnel in those groups, and an increase of New Zealanders who achieve higher levels of education (New Zealand Defence Force, 2005a). These factors combined show a need to retain skilled personnel, in addition to the recruitment projects the NZDF is embarking on, and suggest that providing career management/development may influence retention levels.

The Military Culture

One of the most fundamental aspects of the military culture is that the military is a "state instrument for the exercise of legitimised violence" (Jans, 2002, p. 41). Their members are trained in the use of arms and bear arms as part of their routine duties. However they are only infrequently engaged in their primary role resulting in more time spent as a latent force "reacting to events rather than shaping them and 'preparing', rather than 'doing'" (Jans, 2002, p. 41). This shapes other unique features of the military. The first is that despite other organisations becoming 'flat' and removing organisational levels, the military remains hierarchical, rule based, conservative and functioning by a 'chain of command' even in day to day, non-core operations (Jans, 2002; New Zealand Defence Force, 2005a). The rationale for this is sound but beyond the scope of this paper (see Jans, 2002). The hierarchical nature of the military is reflected in its rank structure composed of Officers, Non-Commissioned Officers and other rank personnel

In terms of personnel, Jans (2002) referring to the Australian Defence Force, but perhaps equally applicable to the NZDF, discusses how generally personnel join the military for intrinsic reasons such as patriotism, service, variety, career advancement, self-esteem and respect for their role as a member of the profession of arms. Desired extrinsic rewards generally revolve around employment security. The NZDF Strategic Human Resource Plan (New Zealand Defence Force, 2005a) shows that the main reasons given for joining the NZDF are skills/training, job security and adventure. Although the strength of these reasons change when considering why people remain, they still rate the highest, along with leadership roles. Job security is the most frequently stated reason for remaining in the NZDF (New Zealand Defence Force, 2005a).

The military is what Jans (2002) terms a 'greedy institution'; one which demands a lot from its people in terms of risking their life, signing away civil liberties, being 'employed' on a 24/7 basis and putting others before self. As such the military has no employment contracts, is not required to abide by employment legislation (although they often do where possible) and at least in New Zealand, there are no bodies that serve the role of unions. NZDF personnel are governed by the Defence Act and the Armed Forces Discipline Act and under the Defence Act attest to 'serve'. Additionally, the military, perhaps more than any other profession, impacts on everyday lifestyle, including sometimes those of their family members. This results in the development of a strong sense of community, camaraderie and professional identify which becomes imbedded in the individual's self-image (Jans, 2002). This is reflected in the NZDF values of loyalty, integrity, professionalism and commitment (New Zealand Defence Force, 2005a)

Military personnel are skilled in a number of areas. Not only do they have the skills of the profession of arms, including developing leadership skills to take command, some have specific trades or specialties such as engineer or medic. The NZDF has over 160 different trade groups (New Zealand Defence Force, 2005a). Additionally, over time in the military, personnel often experience roles in policy, resource management and administration, or what Jans (2002) terms the 'bureaucrat' role. "Wide spread job rotation is one of the most idiosyncratic features of the military profession in developing countries" (Jans & Frazer-Jans, 2004, p. 255). Although exact times differ, most people change roles every two to three years, often involving geographic relocation - a practice not that considerate of societal changes seeing more dual income/career families (Jans, 2002). This job rotation often results in people having non-primary roles which are functionally different from each other, for example combat role one job then policy role the next. These are often lateral rather than hierarchical moves (i.e. ones rank remains the same).

This job rotation is often justified on grounds of career development - grooming future leaders as 'generalists', providing variety - and because it is often unavoidable. For example, when personnel go on operational duties overseas or a long training course necessary for the development of military skills (Jans, 2002). The negative side of job rotations sees: an impact on home life; personnel are not trained and prepared for the roles they take on (e.g. policy roles); personnel do not have a consistent 'career path'; approaches to jobs are strongly focused on the short-term; and job performance may be compromised, especially in non-primary roles, by a lack of experience and corporate memory (see research by Jans & Frazer-Jans, 2004).

The uniqueness of the military results in two further aspects that make it different from most civilian organisations. The first is that the military, along with the Police, has been described as a 'monopoly' organisation. A police officer can only practice as a police officer in the Police Force and the profession of arms can only be practiced in the military. This may benefit retention in the military as personnel perceive their skills to be non-transferable and if people define their career as 'the profession of arms' there is no alternative employer within New Zealand. A downside to this 'monopoly' concept is that people may not join or remain in the NZDF if they do not perceive their skills as transferable to other organisations on release. This consideration is important in research with military populations as general patterns of relations between commitment and outcome can not automatically be assumed in the military (Allen, 2003). The second aspect is that due to specific military skills required, the NZDF is unable to recruit laterally, with the exceptions of military personnel from other countries (New Zealand Defence Force, 2005a). Therefore the loss of experienced and long serving personnel is costly to both organisational resources and the ability of the NZDF to met its outputs. Consequently the NZDF places a high value on long service (New Zealand Defence Force, 2005a).

NZDF Career Management

Actual career management practices differ by Service within the NZDF, however they are all guided by the same principles: "The purpose of Career Management is to give each individual the opportunity to reach his or her potential, and for the organisation to make the best use of the potential of the individual in order to maximise organisational capability" (New Zealand Defence Force, 2000, p. 1). The key underlying principles of career management are: 1) it is to acknowledge a partnership between the individual and the organisation; 2) procedures should be transparent, demonstrably fair and equitable; 3) outcomes should be based on merit; 4) feedback should be provided; and 5) the systems should reflect a philosophy of continuous improvement (New Zealand Defence Force, 2000).

Acknowledging these principles and reflective of career management in other organisations, NZDF career management includes a number of human resource practices and can be viewed as a process. The main practices are: recruitment and selection into the NZDF, trades and individual roles; training and education; performance management which identifies training and developmental needs along with clear performance criteria in roles; promotions; job rotations; and career transition at the end of one's NZDF career (New Zealand Defence Force, 2000).

The military culture, emphasising values such as loyalty, professionalism, commitment and long service indicate that long-term military careers may still be prominent within the NZDF. Along with the fact that people report the main reasons for joining and remaining in the NZDF are job security and skills/training, this indicates that organisational career management is important in the NZDF. Therefore an aim of this research is to investigate what role perceptions of the effectiveness of career management practices (PECMP) play in organisational commitment, job satisfaction and intentions to leave the NZDF. Additionally, almost 50% of personnel are reporting they are not satisfied with the way their career has been managed (New Zealand Defence Force, 2005b). Therefore, a second aim of this research is to investigate what features of career management may influence PECMP.

The next chapter outlines previous research and thinking that has influenced why this study proposes that career management, in particular employee perceptions, relates to organisational commitment, job satisfaction and intentions to leave. It also outlines variables that may influence PECMP. The following chapter then introduces the study's hypotheses.