7th International Conference, The Economies of Balkan and Eastern Europe Countries in the changed world, EBEEC 2015, May 8-10, 2015

The impact of career satisfaction on job performance in accounting firms. The mediating effect of general competencies

Panagiotis Trivellas\textsuperscript{a*}, Nikolaos Kakkos\textsuperscript{b}, Nikos Blanas\textsuperscript{b}, Ilias Santouridis\textsuperscript{b}

\textsuperscript{a}Department of Logistics Management, TEI of Central Greece, 1st km Old Nat. Rd Thiva-Athens, 32200, Greece.
\textsuperscript{b}Department of Accounting & Finance, TEI of Thessaly, 41110, Larisa, Greece.

Abstract

This paper outlines the critical role of employees’ general competencies in the link between career satisfaction and job outcomes (performance) in accounting firm services (accounting offices). Career satisfaction is an internally defined career success outcome. General competencies embrace abilities such as prioritizing, learning new things, coming-up with new ideas and solutions, working productively with others. The discussion arises primarily based on the considerable theoretical vagueness and empirical inconclusiveness in the existing literature concerning general competencies mechanisms and their contribution. As of interest to resolve this controversy, a research framework is developed in which general competencies act as the mediator between career success and employee performance in accounting offices. The empirical findings from a survey of 84 employees in accounting offices in Central Greece confirmed that general competencies exert a mediating effect on the relationship between career success satisfaction and job performance. The main implication of the findings for accounting managers is that employees in a career advancement environment are more likely to achieve higher job performance and subsequently effectiveness, as a result of strengthened general competencies. Thus, specific directions for managerial action have been derived.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0/).

Peer-review under responsibility of Department of Accountancy and Finance, Eastern Macedonia and Thrace Institute of Technology

Keywords: Career Satisfaction; Competencies; Job Satisfaction; Accounting.

* Corresponding author. Tel.: 0030-2262022569; fax: 0030-2262089605.
E-mail address: ptriv@tee.gr, ptrivel@yahoo.com,
1. Introduction

Globalization, fierce competition, financial crisis and advances in communication and information technology trigger changes in the labor market including the recruitment of employees with transferable skills and competencies that assist “their adaptability to successful performance in any environment” (Ballout, 2009, p.655). Competencies can be distinguished in two types: specific, which are essential in order to perform any specific technical or functional task, and general competencies, which include concepts such as intelligence, information-processing models, key competencies, and meta-competencies. A number of scholars have confirmed the influence of general competencies on job-related attitudes such as job satisfaction and performance.

Most scholars explore the antecedents of career outcomes, while only a few research studies have focused on general competencies and its mechanism contributing to individual effectiveness. The purpose of this study is to investigate the way in which career satisfaction can improve general competencies for effective work-related outcomes. In fact, this paper investigates empirically the relationship between career success satisfaction (CS) and job performance (JP) of organizational members by proposing a mediating role of individual competencies.

The paper is organized as follows. In the first section, the two core concepts, namely, career outcomes, general competencies and their association to job-related attitudes are discussed. The second section includes the proposed conceptual model where the likely relationship among its three variables is explained. Subsequently, the research methodology is introduced followed by the analysis of the results. The next section focuses on the findings and the conclusions made, while the managerial implications and the limitation of the study are presented at the end.

2. Research Background

2.1. Career Success satisfaction as a driver of the General Competencies obtained over time.

The notion of career success in the relevant literature, suggests the positive work and the psychological outcomes resulting from one’s work related experiences (Seibert and Kraimer, 2001). The construct consists of two dimensions: an extrinsic (objective) dimension and an intrinsic (subjective) one. The former reflects tangible outcomes captured by such objective (externally oriented) indicators as pay, job status and job promotion; the latter is captured by subjective, less observable (rather internally oriented), indicators such as employee job satisfaction, career satisfaction, perceived career accomplishment and career commitment (Burke, 2001; Poon, 2004; Arthur et al., 2005). Relating to one’s career success satisfaction is an employee’s competencies developed during different periods of one’s life.

More specifically, competencies developed during higher education, are setting the ground for excellence referring to one’s individual effectiveness at his/her work environment. In such professional context, employees’ capabilities and job requirements need to be met. By implication, Allen and his colleagues (2005) developed a classification of competencies including clusters of cognitive prerequisites that an employee should acquire in order to be able to carry out tasks in a given substantive area, efficiently (Weinert, 2001). Actually, several scholars highlight the significant role of ‘specific’ competences linked closely to a particular profession and/or field specific skills and knowledge directly applicable to tasks performed at work. Nevertheless, the ever-going changes in labor market and technological obsolescence can lead to the radical devaluation of specific competencies over time.

In addition to the foregoing specific competencies, there are “generic” competencies or skills such as the ability to learn (conceptual competency) or communication and teamwork skills that have been acknowledged as essential for professional success, too (Thompson et al., 1997). General competencies embrace a range of constructs, such as intelligence, information-processing models, key competencies, and meta-competencies. These groups of competencies are characterized by the ability to be applied in different professional contexts and contents and also support the implementation process of existing specific competencies, including the development of new ones, in new work circumstances and environments. In light of the above, the following hypothesis has been developed:

Hypothesis 1. Career Success satisfaction exerts a significant positive impact on general competencies
2.2. Career Success’ Satisfaction and General Competencies as drivers of Job Performance.

Job performance is a multidimensional construct that has been studied extensively in organisational psychology; refers to “the level of productivity of an individual employee, relative to his or her peers, on several job-related behaviors and outcomes” (Babin and Boles, 1998, p.82). There is yet, no consensus among researchers on how to conceptualise and operationalise job performance. For example, Farth et al., (1991) captured performance in terms of quality and quantity. Yousef (1998) suggested the use of quality and productivity of performance while Suliman (2001) suggested six performance dimensions namely, work skills, duties, enthusiasm, quality and quantity of work and readiness to innovate. In contrast, Borman and Motowidlo (1997) distinguished job performance into task and contextual performance. Task performance refers to behaviors involved directly in producing goods/services while contextual performance includes behaviors that are not directly related to their main task but shape the organizational, social and psychological context (Werner, 2000); for example, employees that help each other, cooperate with their supervisors or make suggestions about organizational processes, are engaging in contextual performance (Van Scotter et al., 2000).

Regarding the notions of employee motivation and job performance, Content motivation theories link the former to the latter construct (e.g. see Maslow, 1943; Alderfer, 1967). For example Alderfer’s (1967) Need theory states that the Satisfaction of three groups of core needs namely, existence, relatedness and growth needs, is what motivates one to perform well in his/her job. Along the same lines, Arnolds and Boshoff (2000) looked into the relationship between need satisfaction and employee job performance to conclude that satisfaction with pay has a significant influence on job performance. Moreover, the satisfaction of growth needs was also found to significantly influence top managers’ performance while the satisfaction of relatedness needs from peers was found to have a significant influence on frontline employees’ performance. Understanding what all these needs actually are would offer useful insights into work-related behaviors that increase job performance (Arnolds and Boshoff, 2002). Also, Process motivation theories such as the Expectancy theory (Vroom, 1964) argue that an employee’s job performance is determined by the degree to which attractive rewards are available, so as efforts lead to higher levels of performance (i.e. first-level outcomes) which in turn, leads to second level outcomes (e.g. praise, friendship, wages). Yet, the level of performance is based on the degree to which, one values the second-level outcomes.

In light of the above empirical findings, one could well argue that a successful career may bear such satisfactory benefits or rewards as pay, professional growth and/or peer recognition that are likely to act as an individual’s motivator for job performance. This is clearly reflected in the following hypothesized relationship (H2):

\[
\text{Hypothesis 2. Career Success satisfaction exerts a significant positive impact on job performance.}
\]

Having argued that one’s job performance could be influenced by his/her career success satisfaction, note that this is likely to be the case for his/her general competencies developed over time, too. To be more specific, in addition to the discussion on the issue of competencies (see 2.1 above), bear also in mind that several scholars have put forth integrated conceptual models synthesizing specific and general competencies, in order to meet cognitive, motivational and social requirements (e.g. see Bloom, 1956; Boyatzis, 1982; Levy-Leboyer, 1996). Yet, general competencies were thought to actually surpass specific competencies in terms of their applicability, flexibility and long term scope. Indeed, Abraham and his colleagues (2001) suggested that generic competencies are vital for all employees regardless of their function or level, while specific competencies are essential in order to perform any specific task in the organization within a defined technical or functional work area.

Building on this, Allen et al (2005) introduced a conceptual model for the measurement of general competences consisting of nine broad action categories (directing productive tasks, directing the work of others, planning, coordination, control, innovation, information management, maintaining relations with personnel, and maintaining relations with clients) in relation to work circumstances.

Furthermore, other scholars have confirmed the influence of general competencies on such job outcomes as job performance. For example, Stumpf (2010) found that project leaders’ competencies are related to job satisfaction and job satisfaction plays a mediating role in the relationship between leadership competency and project
performance. Similarly, individual competencies including interpersonal understanding, commitment, critical thinking, persuasiveness and information gathering have been found also to contribute to effective nursing performance (Zhang et al., 2001). Thus, the following hypothesis has been proposed:

**Hypothesis 3. General competencies exert a significant positive impact on job performance**

Following the rationale of the previous hypotheses, general competences may serve as a mediating factor between career satisfaction and job performance; therefore, the following hypothesis is put forward:

**Hypothesis 4: The relationship between CS and JP is mediated by general competencies.**

3. Research Methodology

3.1. Research Model and Instrument

The conceptual framework of the present study is illustrated in figure 1.

![Research conceptual framework](image)

3.2. Sampling

The field research based on employees in accounting services firms (accounting offices). The resulting sample comprised 84 valid questionnaires (response rate about 44%). Examining demographics, the 58% of the respondents are front-line employees and 35% are supervisors (lower hierarchical level). The 65% of the sample are female, 70% are less than 30 years old, 84% hold at least a university degree and the majority of them (62%) have less than 5 years of working experience. The 74% of the accounting firms participated in the filed research employee less than 10 individuals, thus they belong to the micro-enterprises. The 76% of the respondents have less than 1,200 Euros monthly salary.

3.3. Questionnaire Design

The research instrument was a structured questionnaire based on a seven-point Likert-type scale, which was developed to measure knowledge sharing, competencies and job performance.

After an extensive review of Career success research, we concluded to adopt the five-item subjective career success instrument developed by Greenhaus et al. (1990). This tool is still one of the most widely used and validated metrics in the career literature (Ballout, 2009). Sample items are: “I am satisfied with the success I have achieved in my career.”, “I am satisfied with the progress I have made toward meeting my overall career goals”.

The research instrument developed by Allen et al., (2005) was adopted in our survey to measure general competencies of higher education graduates. A representative sample of items includes the ability to apply field-specific knowledge at work, the ability to come-up with new ideas, and solutions, the ability to work within a budget, plan, or guidance, the ability to learn new things, the ability to distinguish major priorities from secondary matters, and the ability to work productively with others.
Job performance (JP) scale was the product of a synthesis of three measures capturing individual performance by using 2-items from Yousef (1998), 5-items from Suliman (2001) and 1-item by Faeth et al (1991). In this way, JP construct assesses quality, quantity, productivity, individual goal achievement, workingtime available, decision-making, suggestions for improvement and overall ability to execute a job. Although self-reported measures tend to attenuate the results, they have been proved to correlate highly with archival measures (e.g. Boudreau et al., 2001). Moreover, they are most appropriate when there aren’t any valid objective measures of performance (or they are not available to the researcher). Indeed, the literature supports the use of such self-report measures (e.g. Babin and Boles, 1996), which allow researchers to access sensitive areas not traditionally measured by existing measures while maintaining employee confidence (Kennedy et al., 2001). A number of studies have validated this scale (e.g. Dekoulou, & Trivellas, 2015; Kakkos & Trivellas 2011; Trivellas, 2011; Trivellas et al., 2010).

We controlled for seven variables—specifically, gender, age, education, work experience, hierarchical level, monthly salary and firm’s size that have been found to be significant predictors of job performance. Gender was assessed as a dichotomous variable. Work experience was measured by the number of years of the respondents’ total work experience. Firm’s size was assessed by the number of employees, and three hierarchical levels were detected (front-line, middle-level supervisors, and upper management). Regarding salary, self-reported measure was adopted, in alignment with a number of researchers (Ballout, 2009). As an example, Judge et al.’s (1995) detected (in a sample of 1338 executives) a minor difference (only a 1 per cent deviation) between self-reported salary and archival salary.

The questionnaire was tested twice before it was released, by ten accountants from different organisations and by five academics for in depth discussions. They confirmed the cognitive relevance of the questionnaire to accounting services firms. To ensure the validity of the item translation, an English to Greek translate and back translate procedure (Brislin, 1970; Laroche et al., 2003) was adopted. The seven-point Likert scale adopted, provides increased measurement sensitivity and variance extraction (Cooper & Schindler, 1998).

4. Data Analysis and Results

4.1. Principal Component Analysis

Principal Component Analysis (PCA) with normalized varimax rotation was performed and confirmed the uni-dimensionality of the three main tools. In particular, one principal component was extracted from the Career success scale, which accounted for over 52% of the total variation. Similarly, a latent factor was emerged (Kaizer criterion), explaining approximately 55% of the overall variance for the individual competencies construct. Regarding job performance, more than 65 % of the total variance attributed to the uni-dimensional component calculated.

<table>
<thead>
<tr>
<th>Table 1. Descriptive statistics and reliability analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>mean</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Career satisfaction</td>
</tr>
<tr>
<td>General competencies</td>
</tr>
<tr>
<td>Job Performance</td>
</tr>
</tbody>
</table>

* The Kaiser–Meyer–Olkin (KMO) indicator was calculated to assess sample size adequacy. The minimum acceptable level is 0.5. Bartlett's test of sphericity is significant at p<0.001 for all scales. Valid N=84.

Preceding PCA, the Bartlett sphericity testing on the degree of correlation between the variables (p<0.001) and the Kaiser–Meyer–Olkin (KMO) index verified the appropriateness of the sample. Cronbach’s coefficient alpha was calculated to test internal reliability of each scale, as recommended by Flynn et al. (1990), ranging approximately from 0.895 to 0.946. Thus, all sub-scales exhibited well over the minimum acceptable reliability level of 0.7. Table 1 presents descriptive statistics, number of items and reliability analysis indices of all scales. Table 2 presents the results of Pearson’s correlation analysis of the three main variables.

<table>
<thead>
<tr>
<th>Table 2. Correlation Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career satisfaction</td>
</tr>
</tbody>
</table>

4.2. Mediated Regression Analysis

Table 3 reports the results of mediated regression analyses. Seven control variables were included in the analyses namely gender, age, educational level, working experience, hierarchical level, firm’s size (number of employees), monthly income. The direct effect of Career Success Satisfaction (CS) on job performance (JP), without the effect of general competencies as described in hypothesis H2, is shown in Model 1 and it is significant, since the 36.3% of the total variance is explained. CS proved to have a positive statistically significant impact on JP (std. beta=0.343, p<0.01). Only respondent’s age and work experience among control variables are statistically associated with JP. Similarly, testing for hypothesis H1, CS (std. beta=0.4281, p<0.001) is strongly related to general competencies, explaining 38% of the total variance, as depicted in Model 2.

Following the procedures suggested by Baron and Kenny (1986), the role of general competencies in the equation is then analyzed by regressing both CS and competencies on JP (Model 3). Compared to Model 1, the incremental change in adjusted R-square is significant and large (14%, p<0.001). This implies that general competencies have a strong direct effect on job satisfaction (std. beta=0.251, p<0.01). Model 3 shows also that CS has significant but minor effect on JP, due to the mediation effect, compared with its direct effect described in Model 1. In particular, the association of CS with JP is partially mediated by general competencies, because it is still significant when the effect of competencies is included at the last model. Thus, the mediating model proposed (H4) is supported.

No serious problems of multi-collinearity exist between the independent variables as Variance Inflation Factors (VIF) is far below the 3 points limit suggested in Social Sciences literature. The data were examined for outliers, skewness, kurtosis, and multivariate normality.

Table 3. Regression results pertaining to the relationship between knowledge sharing, competencies and job satisfaction

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Job performance</th>
<th>Competencies</th>
<th>Job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent variables</strong></td>
<td><strong>Model 1</strong></td>
<td><strong>Model 2</strong></td>
<td><strong>Model 3</strong></td>
</tr>
<tr>
<td>Gender</td>
<td>0.028</td>
<td>-0.1089</td>
<td>0.055</td>
</tr>
<tr>
<td>Age</td>
<td>0.782***</td>
<td>-0.126</td>
<td>0.814***</td>
</tr>
<tr>
<td>Educational level</td>
<td>-0.118</td>
<td>0.338**</td>
<td>-0.203</td>
</tr>
<tr>
<td>Work experience</td>
<td>-0.556**</td>
<td>-0.131</td>
<td>-0.523**</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>0.103</td>
<td>-0.067</td>
<td>0.120</td>
</tr>
<tr>
<td>Firm’s size (number of employees)</td>
<td>-0.185</td>
<td>-0.071</td>
<td>-0.167</td>
</tr>
<tr>
<td>Income</td>
<td>0.020</td>
<td>0.093</td>
<td>-0.003</td>
</tr>
<tr>
<td><strong>Mediating effects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Success Satisfaction</td>
<td>0.343**</td>
<td>0.428***</td>
<td>0.236*</td>
</tr>
<tr>
<td>General competencies</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted R square</strong></td>
<td>0.363***</td>
<td>0.380***</td>
<td>0.403***</td>
</tr>
</tbody>
</table>

* significant at the 0.05 level, ** significant at the 0.01 level, *** significant at the 0.001 level, (N=84).

The results indicate that general competencies are the most vital, since they act as a mediator between career success satisfaction and work-related outcomes. Only through the improvement of general competencies, career success can influence job performance, confirming the mediation model.

5. Discussion and Conclusions

This study aims to investigate the mediating effect of general competencies on the link between career satisfaction and job performance. Drawing from a sample of 84 employees of accounting services firms, the mediation hypothesis is confirmed. That is, CS proved to be a precursor of General Competencies, which in turn exert a positive impact on job performance. The effects of CS on individual performance can be mainly realized through the improvement of general competencies.
Findings indicate that employees equipped with high levels of general competencies were proved to yield enhanced levels of job outcomes, namely job performance. Job related outcomes may reflect employees’ evaluation of the job condition regarding among others their salaries, fringe benefits, achievement, autonomy, recognition, communication, working conditions, job importance, co-workers, degree of professionalism, internal climate, interpersonal relationships, supervisory support, positive affectivity, job security, workplace flexibility and teamwork (Rad & Yarmohammadian, 2006). On the other hand, low level of job performance and satisfaction has frequently been associated with “unskilled or inappropriately trained staff, laborious tasks such as documentation, repetition of duties, tensions within role expectations, role ambiguity, role conflict, feeling overloaded” (Navaie-Waliser et al. 2004; Koustelios et al., 2003; Illies & Judg, 2003; Blegen, 1993; Thyer, 2003). Following this argumentation, several scholars report that training guiding the development of general competencies such as interpersonal relations and communication abilities reinforce employee satisfaction and subsequently individual performance (Harel & Tzafrir, 1999; Lee et al., 1999). Extending this argument, Hayes (1979) defined ‘competence’ as a combination of ability and willingness to do a task, elevating the importance of internal motivation. Thus, a motivated employee by career success prospects who possesses the relevant competences should be able to apply his/her skills and abilities to his/her job. Across this line of reasoning, Alder (1991) alleged that “systems in which employees reported higher perceptions of skill variety, task significance, autonomy, and feedback reported higher levels of satisfaction and internal work motivation”.

More specifically, in alignment with content motivation advocates (e.g. Alderfer, 1967; Arnolds and Boshoff, 2002), employees’ motivation stemming from relatedness and growth needs as reflections of career success cultivates the development of general competencies such as intelligence, information processing, creativity and problem-solving capability, which in turn foster job performance. In a similar vein, Process motivation views such as the Expectancy theory (Vroom, 1964) advance that attractive rewards stimulate efforts for the achievement of higher performance levels, which in turn, lead to second level outcomes (e.g. praise, friendship, wages).

Therefore, higher job performance is likely to emerge when the talent or the competencies of an employee is consistent with the personal needs and his/her organizational environment. The talent of a person reflects his/her values, vision, knowledge, competencies, interest and style while career success and job demands are shaped by role responsibilities and allocated tasks. Then, career satisfaction climate facilitates the development of new general competencies or sharpen existing ones, such as inventing new ideas, communicating, interpersonal relationships, prioritizing, creativity, planning, problem solving, and team working. Still, the advancement of general competencies drives individual effectiveness expressed by job performance (e.g. Zhang et al., 2001).

Hence, managers in accounting services firms should adopt career satisfaction practices and techniques and nurture a personal development plan in order to improve employees’ competency profiles. Competent employees are one of the utmost important resources in the pursuit of a sustainable competitive advantage building on individual effectiveness, innovation and creativity.

Future studies could build on and validate the current results by assessing the role of organizational or national culture (Trivellas, & Dargenidou, 2009a;2009b) in the different profiles of employees’ competencies as well as internal environment variables such as motivation, leadership, emotional intelligence and innovativeness (Trivellas, 2011; Trivellas, 2012; Trivellas & Dimoussis,2013; Trivellas et al., 2013; Trivellas & Reklitis, 2014; Trivellas & Santouridis, 2009).

Acknowledgements

This research has been co-financed by the European Union (European Social Fund-ESF) and Greek national funds through the Operational Program “Education and Lifelong Learning” of the National Strategic Reference Framework (NSRF) – Research Funding Program: ARCHIMEDES III. Investing in knowledge society through the European Social Fund References.

References


