

Contents lists available at SciVerse ScienceDirect

Economic Modelling

journal homepage: www.elsevier.com/locate/ecmod



A research study on the relationship between personal career development management and willingness to relocate

Hung-Wen Lee *, Chien-Jung Chen

National Chia-Yi University, Taiwan

ARTICLE INFO

Article history: Accepted 4 August 2012

Keywords:

Personal career development management Willingness to relocate

ABSTRACT

The business-operating environment nowadays is in a severe changing situation and, as a result, triggers an increasingly fierce competition in the development of offshore business and bases. This makes selection of suitable expatriate personnel more and more important for companies. Taking graduates who are about to start their career in the society as subjects, this study focuses on the effect of personal career development management on the willingness to relocate in the future. Data are analyzed using Pearson correlation, multiple regression and structural equation modeling. The result shows that the career development management of the students graduating from a management college of a university has a significant effect on their willingness to relocate and can be well predicted. This study puts forward practical and academic suggestions based on this result.

© 2012 Elsevier B.V. All rights reserved.

1. Introduction

While the trend of globalization has been developing in every aspect of our daily life, the impact of this trend is particularly perceived by companies in different industries. No matter whether pursuing the market of low costs and high opportunities or developing more advanced technologies and resources, all company owners or managers agree that they cannot stay in the corner any more and need to adapt themselves to the trend and strive for internationalized operation of their business. Recently, many Taiwanese companies have established their R&D and export departments in Japan, Singapore and the USA, or set up factories in China and Southeast Asia to reduce their manufacturing cost. Under the circumstances, it is imperative for the companies to expand their markets overseas with different operation strategies. With the establishment of subsidiaries or branch companies in foreign bases, operation of the overseas business starts playing an important role. This makes companies the forerunners that encounter the problem of how to select suitable personnel and expatriate them to assist in operation of overseas business.

According to the motivation research of Miller and Cheng (1978), a considerable proportion of managers saw expatriate as conforming to their career development. Other factors like the opportunity for promotion, accumulation of work experience and raise of salary are also important indicators for employees to accept the post as an expatriate manager. Feldman and Thomas (1992) put forward two

E-mail address: wayne@mail.ncyu.edu.tw (H.-W. Lee).

key criteria to determine the success of expatriate: whether the career development plan and policy of the organization is helpful for the growth of expatriate personnel, and whether the management strategy of personal career development can effectively assist expatriate personnel in challenging expatriate assignments.

In the educational system in Taiwan, students should have a broader view of the world before they start their career and prepare themselves for leaving the comfort zone at any time. After starting the career, they should try hard to learn what is useful to take up various challenges in their career. In fact, selecting an occupation is virtually out of the question today, and what becomes normal is that a handful of employment opportunities select a host of job seekers. Multiplication of value comes true only for the talent who adapts himself/herself to the development of the organization. This study takes the students graduating from a management college of a university as subjects to investigate the relationship between their personal career development management and willingness to relocate. The purpose of this study is to find out the significant relationship between the career orientation of the students and their willingness to relocate. The result can be used as a reference for companies to select expatriates.

2. Literature review

2.1. Personal career development management

Super (1980) pointed out that career development was a "progressing, continuous and irreversible" process. Aryee and Leong (1991) defined career development as work-related values that reflected the preference of a person with respect to employment types, performance standards and confirmation of job contents.

^{*} Corresponding author at: Department of Business Administration, National Chia-Yi University, No. 580 Hsing-Ming Rd., Chia-Yi City 600, Taiwan. Tel.: +886 52732832; fax: +886 52732826.

The research of Derr (1986) affirmed the concept of different career orientations and generalized five orientations: 1. Getting ahead: people with this orientation were eager for rapid promotion and pursued a higher position in the organization. They put the work in the first place and worked hard and earnestly; 2. Getting secure: people with this orientation sought for identification, occupational safety, respect, and status as part of the company. These people showed their loyalty to the organization and committed themselves to the work to exchange for lifetime employment, secure career identification, predicable carrier procedure and stable work environment; 3. Getting free: people with this orientation wanted maximum freedom during the work and independence was the most emphasized value. These people were opposite to the people pursuing secure career development in many aspects. They preferred challenging and interesting work, but never sought exciting assignments at the cost of freedom; 4. Getting high: people with this orientation pursued exciting, challenging, adventureful and rare occasions. They often worked in a large organization and tolerated bureaucracy because the organization provided exciting and attractive work; and 5. Getting balanced: people with this orientation sought for meaningful balance among work, interpersonal relationship and self-development. They do not overwork nor think that work is boring. For them, work was important but never surpassed the important relations between, for example, families, relatives and friends, and no one could or could plan to completely occupy the available time of a person.

From the arguments of the scholars above we can infer four career development management facts of an employee: "Self-development", "Career planning", "Self-expression" and "Self-evaluation". These respectively indicate the willingness of a person to grow, strive for advancement and continuously undertake self-training; explicit planning of the development route and participation in the process related to personal development; expression based on personal characters; summarization of personal career development phases and family factors to finally determine the goal for the career.

2.2. Willingness to relocate

As Robock and Simmonds (1989) pointed out, employing the personnel of the mother country was the best way for a company to operate business at the initial stage of internationalization. Hence, in addition to easy communication with the mother company, the reason for employment of expatriate personnel is its positive meaning in training of talents for global operation of the company. Punnett and Ricks (1992) put the "willingness of the candidate to work overseas" in the first place with respect to selection of expatriate personnel.

According to Borstoff et al. (1997), factors that affected the willingness to relocate included personal characteristics, attitude of the employee toward work and expatriate, character of the spouse and his/her attitude toward expatriate, and expatriate support actions of the organization, among which the "attitude of the employee toward work and expatriate" and "expatriate support actions of the organization" are the factors included in the willingness to provide career planning and support for expatriates. Black et al. (1999) generalized four factors – impact on the career, compensation, leaning opportunity and family factor - that a candidate would take into account for acceptance of an expatriate. These factors are described as below: 1. Impact on career: the candidate will consider the helpfulness for his promotion in the organization after he/she is expatriated back to the original post. The candidate may also consider the conformance of the expatriate to his/her personal career planning. 2. Compensation: additional income for expatriate and its impact on living conditions are also the factors that affect the willingness to relocate. 3. Learning opportunity: personal growth and acquisition of cross-culture experience are the first priority when a candidate considers the acceptance of an expatriate. 4. Family factor: willingness of family

members (especially the spouse), impact on the total income of the household and other factors related to the family (e.g. education and healthcare of children) will affect the willingness to relocate.

Victor et al. (2008) did a research study on 331 top MBA students in Canada who have just started their career and found that the subjects with higher intrinsic motivation had higher acceptance of expatriation and higher willingness to learn and communicate in a foreign language. On the other hand, the subjects who were subject to external drive were not easy to accept expatriation. Whether the organization provides adequate support during the process was relevant to the acceptance of expatriate regardless of internal or external drive.

2.3. Relationship between personal career development management and willingness to relocate

As Mendenhall and Oddou (1988) pointed out, accepting expatriation could be considered one of the important factors for personal career development. Brett and Stroh (1995) found in their research that ambitions for business had impact on the willingness of employees to relocate.

According to research, one of the disturbances that many Taiwanese managers in China suffered is the standardization of their career paths. Expatriates worried that they might work overseas forever or their career development path might be narrowed after expatriation for a long period of time.

As the empirical research of Forster (1994) pointed out, among all British managers and professionals that he investigated, 63% of the subjects who were expatriated back to their original posts thought that career development and employment were the two factors they cared about most. It indicates that carrier planning is a very important factor for expatriate personnel.

The research also pointed out that what a majority of expatriate personnel were most concerned about was the possible impact of expatriation on their career development. The willingness to relocate rose if both could adapt themselves to each other. Otherwise, employees might feel anxious.

The arguments of the scholars above show that personal career development has a considerable relationship to the selection of occupation and performance in career, and thus to the willingness to relocate.

3. Methodology

The research structure of this study is developed based on the results in the Introduction and Literature review (Fig. 1).

3.1. Research structure

The following hypotheses are developed based on the research structure of this study:

H1. Personal career development management has a significant relationship with willingness to relocate.

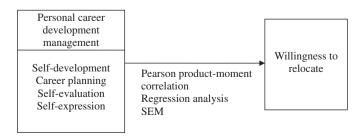


Fig. 1. Research structure.

H2. Each factor of the personal career development management has a significant effect on the willingness to relocate.

H2.1. "Self-development" has a significant effect on willingness to relocate.

H2.2. "Career planning" has a significant effect on willingness to relocate.

H2.3. "Self-evaluation" has a significant effect on willingness to relocate.

H2.4. "Self-expression" has a significant effect on willingness to relocate.

3.2. Design of the scale

(1) Personal career development management

The "personal career development management" scale referred to previous researches and modified by researchers is used for this study. There are 16 questions in the scale and Likert's five-point scale is used for scoring. All 16 questions are assigned to four factors — "self-development", "career planning", "self-evaluation" and "self-expression".

(2) Willingness to relocate

The "willingness to relocate" scale developed by Landau et al. (1992) is used for this study. There are 5 questions in the scale and Likert's five-point scale is used for scoring. As Landau et al. (1992) pointed out in their research, willingness to relocate mainly comprised two parts: "organizational and personal development" and "remaining in office". There is only one question about remaining in office. It not only has a factor loading slightly lower than other questions (but higher than 0.5 to the level of 0.576) as identified in the pilot test validity analysis of the scale based on the pretest data, but is assigned together with other questions to the same facet as well. Considering this and the result of the reliability analysis that the overall Cronbach α coefficient gained in the pretest is 0.896, this scale is defined as one facet — willingness to relocate.

3.3. Distribution of questionnaires and sampling

Questionnaires were distributed to the students graduating from a management college of a university. A total of 310 questionnaires were distributed and 310 were returned. After deducting 13 invalid questionnaires that were not completely filled out, a total of 297 valid samples were returned with a return rate of 95.81%. (Refer to Table 1 for more information.)

3.4. Reliability and validity of the scale

Since the measurement questions are developed for each scale based on the research of many scholars, they have adequate content validity. However, since the subjects of this study are different from the original subjects, factor analysis is used to ensure the stability of the measuring result. The result of the factor analysis shows that factors are differentiated appropriately for each scale and the explanatory capacity of the scale is good. Factor loading between 0.3 and 0.4 is acceptable (Hair et al., 2006) and factor loading that is higher than 0.3 is deemed as significant and will be retained (Joseph et al., 1987). As

Table 1 Summary of distribution.

	Distributed	Returned	Invalid	Valid	Rate
Number	310	310	13	297	95.81%

for reliability analysis, the Cronbach α coefficient of each scale is mostly between 0.6 and 1.0.

4. Results

4.1. Pearson correlation

The study finds that there is a significant relationship between personal career development management and willingness to relocate. H1 is thus supported. As Table 2 shows, the relevance between the "self-development", "career planning", "self-evaluation" and "self-expression" and the willingness to relocate is 0.389(P<0.01), 0.360(P<0.01), 0.314(P<0.01) and 0.410(P<0.01), respectively, and all have significant relationship, among which the "self-expression" has the highest relevance.

4.2. Regression analysis

The regression equation in the analysis reaches the significance level (F=23.024, P<0.001). The cumulative explained variance of the four career development management factors in prediction of the willingness to relocate is 24.0% (Adj R^2 =0.229), and "self-development" (β =0.145, P<0.05), "career planning" (β =0.157, P<0.05) and "self-expression" (β =0.261, P<0.05) have higher predictability. Thus, H2.1, H2.2 and H2.4 are supported (Table 3).

4.3. Structural equation modeling

Structural equation modeling (SEM) is used in the study to investigate the casual relationship between the personal career development management and willingness to relocate. It is also used to verify the overall goodness-of-fit of the model. The measurement indicators of the overall goodness-of-fit of the model are shown in Fig. 2 and Table 4.

The measurement indicators of the overall model goodness-of-fit show a chi-square value 297.49(df=26), GFI=0.82, AGFI=0.68, RMR=0.036, SRMR=0.1, NFI=0.88, NNFI=0.85, CFI=0.89. Most of the indicators are higher than the acceptable fit criteria and the overall goodness-of-fit of the model is good.

5. Conclusions and suggestions

5.1. Conclusions

According to the results of the study, there is a significant relationship between the personal career development of the students graduating from a management college of a university and their willingness to relocate, and the relationship can be predicted using regression analysis. As Fig. 2 shows, the path coefficient of their personal career development management and willingness to relocate is 0.92 and reaches the significance level, indicating that the personal

Table 2Correlation analysis of personal career development management and willingness to relocate.

		Career development management factors			nt factors	
		1	2	3	4	Α
Career development	1	1.000				
management factors	2	.564**	1.000			
	3	.540**	.427**	1.000		
	4	.463**	.360**	.402**	1.000	
	Α	.389**	.360**	.314**	.410**	1.000

Notes:

1: Self-evelopment; 2: Career planning; 3: Self-evaluation; 4: Self-expression; A: Willingness to relocate.

 Table 3

 Regression analysis of personal career development management and willingness to relocate

Beta value	P value
0.145	0.038*
0.157	0.014*
0.064	0.306
0.261	0.000**
0.240	
0.229	
23.024	
0.000**	
	0.145 0.157 0.064 0.261 0.240 0.229

^{*} P<0.05.

career development management has a significant positive effect on the willingness to relocate. This proves that the more active the students are in their career development and management, the higher their willingness to select and accept expatriate will be. This indicates that employees will match carve-out of their career in the future with the orientation of their career selection and development.

5.2. Suggestions

One of the critical factors for the success of a company is efficient employment of human resources. While striving for profits and realization of the operation philosophy, a company must keep an eye on the synchronous growth of its employees with the organization. This is especially important for a company that has offshore bases and needs to select expatriate personnel for operation of the business. Hence, this study puts forward the following suggestions based on the results of the investigation.

(1) Suggestions for managers

Today, in the aftermath of the financial tsunami, operation of many companies is still in a severe situation. Crisis is opportunity. Elimination occurs in recessional environment, and only the companies that develop firmly and steadily are the winner. Hence, companies, no matter whether in the manufacturing industry or in the petrifaction, financial, hi-tech or other industries, in Taiwan are incessantly seeking for opportunities to reduce their cost, improve their efficiency and develop new markets, because they know that they must continuously develop and operate offshore bases in adverse environment. For this, companies usually intend to select talents internally

Table 4Measurement results of LISREL model overall goodness-of-fit.

Overall goodness-of-fit indicators	Results	Acceptance of model	
Chi-square value (P value)	P = 0.000 is significant	Inadequate	
GFI	0.82	Good	
AGFI	0.68	Acceptable	
RMR	0.036	Acceptable	
SRMR	0.01	Acceptable	
NFI	0.88	Good	
NNFI	0.85	Good	
CFI	0.89	Good	

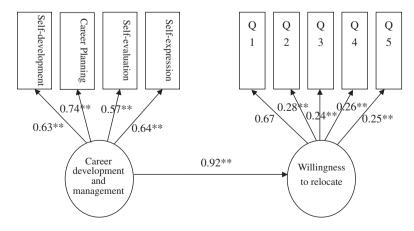
or employ qualified job seekers who have the willingness to relocate.

Company may draw up the contents of the assignment for expatriates when hiring new employees and ask for their willingness. A series of situation questions can be designed for the interview and observe the attitude of the interviewee toward each question. Discussions and written tests about career targets and realization phases are also helpful in judging the strength of the career development management of the interviewee. This provides a basis to determine whether it conforms to the willingness to relocate that the interviewee expresses and whether the interviewee has the competence and qualification for the assignment. This process provides a basis for managers, too. When selecting expatriate personnel, managers must first pay close attention to their willingness to relocate with reference to other variables, such as conformance of the personal career development management to the requirements of the organization. By doing so, companies may select the most suitable talents and increase the success rate of expatriate.

(2) Suggestions for job seekers

As pointed out in this study, personal career development management has an effect on the willingness of social freshmen to relocate. In addition to longing after easy promotion, willingness to accept challenging assignments and yearning for rare exciting foreign experience that expatriate personnel may have, job seekers must consider their competence for the job and the impact of the expatriate on their career orientation.

We suggest that social freshmen analyze their own strength, weakness and personality orientation using various test indicators before seeking a job. They can then determine their career development management targets within the scope of their competence based on this analysis. Social freshmen can give themselves



Note: ** stands for P<0.01

Note: Q1 correlation of each factor is 1

Fig. 2. LISREL empirical result analysis. Note: ** stands for P<0.01. Note: Q1 correlation of each factor is 1.

^{**} P<0.01

more development potential by challenging themselves bravely. It is important to implement planned career strategies systematically, grasp and exploit the opportunity of expatriate, if any, and create outstanding performance. In doing so, they can combine their own value with that of the organization to produce synergy and form a positive sustainable circulation for both sides.

References

- Aryee, S., Leong, C.C., 1991. Career orientations and work outcomes among industrial R & D professionals. Group & Organization Studies 16 (2), 193–205.
- Black, J.S., Gregersen, H.B., Mendenhall, M.E., Stroh, L.K., 1999. Globalizing People Through International Assignments. Addison-Wesley, Boston, MA.
- Borstoff, P.C., Harris, S.G., Field, H.S., Giles, W.F., 1997. Who'll go? A review of factors associated with employee willingness to work oversea. Human Resource Planning 20, 29–41.
- Brett, J.M., Stroh, L.K., 1995. Willingness to relocate internationally. Human Resource Management 34, 405–424.
- Derr, C.B., 1986. Managing the New Careerist. Jossey-Bass Inc., San Francisco.
- Feldman, D.C., Thomas, G.C., 1992. Career management issues facing expatriates. Journal of International Business Studies 2271–2293.

- Forster, N., 1994. The forgotten employees? The experiences of expatriate staff returning to the UK. Journal of International Human Resource Management 5 (2), 405–425.
- Hair Jr., F., Anderson, R.E., Tatham, R.L., Black, W.C., 2006. Multivariate Data Analysis, 6th ed. Pearson Education, New Jersey.
- Joseph, Rolph, Ronald, 1987. Multivariate Data and Analysis with Reading. Mac-Millan Publishing Company, New York.
- Landau, J.C., Shamir, B., Arthur, M.B., 1992. Predictors of willingness to relocate for managerial and professional employees. Journal of Organizational Behavior 13, 667–680.
- Mendenhall, M., Oddou, G., 1988. The Overseas Assignment: A Practical Look. Business Horizons, pp. 78–84 (Sept-Oct).
- Miller, E.L., Cheng, J.L., 1978. A closer look at the decision to accept an overseas position. Management International Review 18, 25–33.
- Punnett, B.J., Ricks, D.A., 1992. International Business. Wadsworth Publishing Company, CA.
- Robock, S.H., Simmonds, K., 1989. International Business and Multinational Enterprise. Irwin, Homewood, IL.
- Super, D.E., 1980. A life-span, life-space approach to career development. Journal of Vocational Behavior 13, 282–298.
- Victor III, Y.H., Tania, S., Evelyne, C., 2008. Intrinsic motivation for an international assignment. International Journal of Manpower 29 (5), 443–461.