In China, demand for professional management skills is rapidly outpacing the local labour supply. In this competitive environment, identifying the human resource (HR) practices that retain mobile managers is becoming a priority.

Dr Mary Bambacas (International Graduate School of Business) and Prof Carol Kulik (School of Management) have been studying the HR practices that reduce turnover. Their research suggests that organisations should invest in their performance appraisal and reward systems to boost managerial retention – but investing in employee development may lead to turnover if it is not carefully managed.
The ties that bind

(continued from page 1)

The team’s research was guided by job embeddedness theory, a framework that explains how employees’ links (connections with other people in the organisation), fit (consistency between employees’ values and the values of the organisation), and sacrifice (the benefits individuals would forgo were they to leave) promote retention. ‘Based on previous research, we know that links, fit, and sacrifice embed employees in organisations, and we know that embedded employees are less likely to leave’, Dr Bambacas elaborated. ‘We wanted to learn how organisations create links, fit and sacrifice through their HR practices.’

The researchers surveyed more than 300 managerial employees in a steel-manufacturing organisation in China. ‘The most serious labour shortages in Chinese companies are in the engineering and business occupations, so this organisation was very concerned about retaining its managerial staff’, explained Dr Bambacas.

The managers described their links, fit, and sacrifice and reported how likely they were to leave the organisation. ‘These three elements work together to retain employees’, Dr Bambacas said. ‘The managers who had strong relationships with their supervisors and co-workers, and who experienced a good fit between their personal values and the values of the organisation, felt that they would sacrifice a good deal if they were to leave the company.’

The surveyed managers also evaluated three groups of HR practices (performance appraisal, rewards, and employee development) operating in their organisation. The researchers found that high quality performance appraisal and reward practices helped the managers to experience fit. ‘In a good performance appraisal system, supervisors coach their employees so that they develop better fit’, Dr Bambacas said. ‘Then the reward system provides a very visible signal to employees that their fit is recognised and valued.’

The company’s rewards system also helped managers to develop a strong network of links in the organisation. According to Dr Bambacas, ‘Supervisors are usually responsible for administering rewards, so the reward system can strengthen the relationship between the supervisor and the employee. And when the rewards appear in the form of promotions or new projects, the employee develops a more extensive set of links in the company.’

The research clearly suggests that organisational retention can be boosted by an effective performance appraisal and rewards system. What about employee development practices – do they promote retention?

‘Supervisors are usually responsible for administering rewards, so the reward system can strengthen the relationship between the supervisor and the employee.’

In this research, managers who had experienced more developmental opportunities reported a higher sense of sacrifice. However, contrary to predictions of job embeddedness theory, these managers also reported a higher intention to leave their current employer. ‘In other words’, explained Dr Bambacas, ‘the managers recognised that professional development was a valuable benefit that they might not get from a competitor. But at the same time, the professional development made managers more mobile and more likely to leave’.

Does this mean that organisations should reduce their investments in managerial development? ‘Oh, no!’, Dr Bambacas insisted. ‘An organisation that stopped developing its managers would soon fall behind its competitors. Our results suggest, however, that an organisation shouldn’t focus on developmental practices in isolation. An organisation needs to simultaneously focus on its performance appraisal and reward systems to embed the employee in the organisation and create a counterforce to the greater mobility generated by the development practices.’

The research team’s findings will be published in the International Journal of Human Resource Management.

If you would like to learn more about the project and its results, contact Dr Mary Bambacas (mary.bambacas@unisa.edu.au).
What is the Centre for Human Resource Management?

The Centre for Human Resource Management (CHRM) was established in 2008 and is housed in the School of Management on UniSA’s City West campus.

CHRM brings together researchers with expertise in human resource management (HRM) to address major HRM-related challenges in the South Australian and international contexts.

What’s new at CHRM?

CHRM celebrates an Australian Research Council Future Fellowship awarded to Assoc Prof Sara Charlesworth. The fellowship will support a four-year project on gender inequality in frontline care work (see page 4 for details).

We congratulate Ms Jill Gould (School of Management Masters by Research student), who received the inaugural Executive Partners’ Research Scholar Award for her presentation on ‘Trickle-down effects: The impact of board level gender diversity on executive level gender diversity’.

CHRM welcomes Prof Christina Shalley (Georgia Institute of Technology) as an international member of its Advisory Group. The Advisory Group acts as a sounding board and provides guidance for CHRM’s research activities.

CHRM bids farewell to Dr Erich Fein, who is moving to the School of Management and Marketing at Central Queensland University. We wish Erich success in his new role.

We hope you enjoy reading the CHRM newsletter. You can learn more about CHRM, its people and its activities at our website www.unisa.edu.au/chrm.

Prof Carol T. Kulik
Director, CHRM

CHRM LinkedIn group turns one!

The CHRM LinkedIn group celebrated its 1st birthday on 31 October 2012.

In this short time, we’ve grown to 220 members with 407 HR discussion topics posted by our members.

You can find us by going to www.linkedin.com and searching the LinkedIn groups for ‘UniSA Centre for Human Resource Management (CHRM)’. See you soon on LinkedIn!

CHRM is now blogging

Academic articles written by our expert researchers are being ‘translated’ into blogs for our group members. Keep up to date with the latest research findings on organisational creativity, employee retention, and the ‘toxin handling’ work performed by HR managers.

New blogs are regularly posted in the CHRM LinkedIn group. The next blog will discuss another hot topic – whistleblowing!

CHRM is on YouTube

The popularity of Prof Christina Shalley’s informal interview regarding creativity (http://www.youtube.com/watch?v=7C5esHB7u0k) has inspired CHRM to develop a video library. CHRM will take to YouTube more regularly in future months, with videos featuring research insights from CHRM researchers, discussions with international and interstate visitors, and the annual CHRM Insights public lecture.

New YouTube videos will be announced on CHRM’s LinkedIn group and will be accessible from the CHRM homepage (www.unisa.edu.au/chrm).
Managing employee spiritual self-disclosure

The risks of mismanaging employee spiritual diversity should motivate managers to reflect on how ‘safe’ their organisations really are.

Australian employees endorse a wide range of spiritual views, encompassing both formal religious beliefs and personal philosophies that connect the individual with his or her community, nature, or the divine.

The employee who talks about his or her spiritual beliefs at work risks negative reactions from co-workers, manifested in conflict, abuse, or hostile humour. Disclosing spiritual beliefs can lead to the employee feeling marginalised from the social, cultural and spiritual identity of his or her organisation.

Recognising the risks, employees tend not to talk about their spiritual beliefs at work – and managers rarely encourage spiritual disclosure. But the benefits of diversity in bringing multiple perspectives to decision-making cannot be fully realised in workplaces where the sharing of spiritual beliefs is taboo. When employees have to suppress such an important part of their personal identity, they experience psychological strain, negatively impacting their performance, teamwork and career progression.

Effective management of spiritual diversity requires a long-term sustainable approach. Spiritual self-disclosure is more likely to occur in ‘safe’ inclusive organisational cultures where intimacy and trust are fostered and where hurt and rejection are not tolerated.

If you’re interested in learning more about how organisations can support employees’ spiritual diversity, contact Dr Joanna Crossman (joanna.crossman@unisa.edu.au).

What CHRM is working on

Gender inequality in frontline care

The people who provide nonprofessional personal care, home care, and disability support are overwhelmingly female – nearly nine out of every ten paid care workers are women. Female-dominated occupations have traditionally been undervalued in comparison to male-dominated occupations, but the working conditions experienced by frontline care providers are especially poor. Care workers usually do casual or part-time work for low rates of pay, and struggle to accumulate enough work hours to generate a stable and sufficient income.

The ageing of the Australian population is dramatically increasing the demand for formal care. There is a new urgency to identify viable policy alternatives that allow frontline care workers to work in decent jobs and quality care services to be delivered to vulnerable groups.

Assoc Prof Sara Charlesworth (School of Management) is embarking on a four-year project supported by an Australian Research Council Future Fellowship to critically examine regulatory strategies to improve the quality of jobs held by frontline care workers. The project will include international comparisons with Canada, the Netherlands and the UK in order to identify the policy models and mechanisms that might be most appropriate in the Australian context.

If you’d like to learn more about the project, contact Assoc Prof Sara Charlesworth (sara.charlesworth@unisa.edu.au).