



A survival analysis of the impact of boundary crossings on managerial career advancement up to midcareer

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ABSTRACT

Although managers and professionals still compete in a career tournament for advancement and pay, the career boundaries that they cross in order to compete have changed. Traditionally, such individuals came up through the ranks within the same company by specializing in one functional area and changing, as needed, the geographic location of work in order to advance their careers. However, in the current era of less constrained, boundary-crossing careers, they are more apt to cross several boundaries, including functional, organizational, geographic, and family, as they pursue career opportunities. Using survival analysis with data from the career histories of 760 managers and professionals who collectively made 3917 moves up to midcareer, we examined the impact of the rate of crossing each boundary on the subsequent likelihood of advancement. In addition, over this span of career, we examined the extent to which more rapid advancement contributed to the rate of growth in annual salary. Our findings suggest that crossing functional, organizational, and geographic boundaries more often significantly increased the likelihood of advancement, whereas the duration of family boundary crossings had a negative impact. Moreover, as expected, advancement had a long-term impact on salary growth.

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Introduction

Managerial and professional careers have been viewed as the evolving sequence of an individual's work experiences over time (Arthur & Rousseau, 1996) in which individuals compete in an organizational tournament for advancement and pay (Rosenbaum, 1979, 1984, 1989). Building on the premise that for managers and professionals with job security, "future opportunities can be powerful and inexpensive motivators, since a single promotion can motivate many employees," Rosenbaum theorized career advancement largely as the result of a highly competitive tournament within a single organization (1984: xvi). As Rosenbaum (1979, 1984) envisioned it, this tournament initially gave everyone an equal chance, but only the winners survived to compete again in the organizational tournament, thus making early career success crucial. Because managerial careers are now widely viewed as non-linear and as transcending traditional single-organization boundaries (Arthur, Khapova, & Wilderom, 2005; Sullivan & Baruch, 2009), the scope of the tournament model has been called into question by some scholars (e.g., Arthur & Rousseau, 1996; Sullivan, 1999; Sullivan & Arthur, 2006) for failing to address career paths enacted across as well as within traditional boundaries. On the other hand, other scholars have questioned the inherent assumption that the rate of boundary crossings in managerial career patterns is actually increasing, concluding that it "has rarely been systematically analyzed in the

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careers literature” (Rodrigues & Guest, 2010: 1159). The purpose of this study is to examine the effects of the crossing of several types of boundaries – functional, organizational, geographic, and family – on managerial career advancement.

Given the tournament model's historically limited focus (Rosenbaum, 1979, 1984, 1989), research to date has focused solely on traditional, linear career paths unfolding within a single company (e.g., Cappelli & Cascio, 1991; Forbes, 1987; Hurley, Wally, Segrest, Scandura, & Sonnenfeld, 2003; Sheridan, Slocum, Buda, & Thompson, 1990). For example, Sheridan et al. (1990) used survival analysis to examine archival data on 338 managers in a large public utility over 10 years. Consistent with the tournament model, they found that managers and professionals who start their careers as trainees enjoyed a higher probability of advancement and salary progression than those who were hired from the outside or internally promoted, supporting the importance of early career experiences. Forbes (1987) used personnel records to study 180 managers and professionals in a large domestic oil company. Contrary to the tournament model, he found that positions held later in the first 11 years of a career and the number of positions held were more predictive of career advancement than earlier promotions. Such contradictory and mixed results are not surprising given the limiting focus on career paths within the internal labor market of a single company. Consequently, researchers have called for studies of contemporary, boundary-crossing careers (Inkson, 2006) to determine whether careers enacted across multiple boundaries have long-lasting effects on advancement.

In response to this call, we use an organizational learning perspective (Cyert & March, 1992; March, 1991) and the revised conceptualization of the boundaryless career concept (Sullivan & Arthur, 2006) to establish theoretical links to explain how crossing functional, organizational, geographic, and family boundaries impacts career advancement (Sullivan & Baruch, 2009). Then, using the technique of survival analysis, we examine these links using the career histories of 760 managers and professionals from the beginning of their careers up to midcareer (over an average span of 20 years). Finally, we examine the impact of advancement on salary growth over this span of career. In so doing, we hope not only to advance understanding of the dynamics of boundary-crossing careers but also to contemporize the tournament model for future research.

Theory

A boundary-crossing career involves “one of independence from, rather than dependence on traditional organizational career arrangements” (Arthur & Rousseau, 1996: 6). Further, it consists of a “sequence of job opportunities that goes beyond the boundaries of single employment settings” (DeFillippi & Arthur, 1996: 116). Although some research has examined the role of specific types of boundary crossings such as family-related crossings (Schneer & Reitman, 1990), it has failed to differentiate among different types of boundary crossings in managerial career patterns (Sullivan, 1999; Sullivan & Baruch, 2009) and has not explored the impact of such crossings on career advancement. In addition, despite the conclusion suggested by Ng, Eby, Sorensen, and Feldman's (2005: 392) meta-analysis that advancement and pay are “conceptually distinct constructs,” extant literature has generally treated these constructs as synonymous, leaving the causal link between them underspecified. We begin by addressing these gaps in the literature.

Crossing functional boundaries

We argue that the rate of change in functional specialization (e.g., from engineering to finance, from marketing to accounting) enhances knowledge accumulation through exposure to different functional experiences. In addition, it enhances the individual's ability to learn and adapt through more frequent engagement in deliberate learning of new and different knowledge bases and perspectives. According to Cyert and March (1992), organizations are learning systems in which knowledge retention and variation are critical to gaining a strategic advantage (Kogut & Zander, 1992). When firms pursue *knowledge retention*, they seek to gain advantage by identifying individuals with the greatest level of prior learning and experience. For example, an individual may be hired or promoted to a financial analyst position because she has the most experience in software design as well, or a high-tech marketing manager may be chosen because he has relevant experience in marketing and biotechnology. When firms pursue *knowledge variation*, they seek to gain advantage by identifying individuals with the greatest ability to develop new knowledge through exploration and innovation (Weick, 1995). For example, in addition to an MBA, an individual may be hired or promoted to a position as a health care administrator because of her ability to create innovative record-keeping and retrieval software for the insurance industry, or a divisional controller may be chosen because of his recent MS in accounting and a demonstrated ability to identify legal loopholes in the tax code honed while part of the corporate counsel's office. Because organizations need both knowledge retention and knowledge variation to gain strategic advantage (Robinson & Miner, 1996), managers and professionals who offer more of both should be better positioned to exploit advancement opportunities as they arise.

Employees with a multi-functional background may also advance more rapidly because they have been exposed to more opportunities to build social networks that broaden their knowledge, insight, and perspectives through frequent socialization (Campion, Cheraskin, & Stevens, 1994; Monge & Eisenberg, 1987); such individuals gain power and influence independent of their actual performance (Ferris & Judge, 1991). Previous research on job rotation suggests that even a limited breadth of experiences in different functional areas positively enhances career development (Campion et al., 1994). Also, research on ascension to the position of CEO suggests that breadth of experience in different functional areas is viewed as an asset (Norburn, 1989; Raskas & Hambrick, 1992).

More broadly, as individuals transit through different functional areas, they are able to apply knowledge to different situations, extract general principles, and “strategically conceptualize” previous learning (Neale & Northcraft, 1990), which can be invaluable as firms face increasingly dynamic environments. Firms are deliberately becoming more fluid and entrepreneurial in order to

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