

An Empirical Study of Organizational Climate and Career Plateau Causes and Effects of Enterprises in India

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Abstract : *The Purpose of this paper is based on a sample of 283 people from enterprises and MBA Classes, this paper examines the effects of career plateau on the employee's job satisfaction organizational commitment and intention to quit. The paper also examines the individual and organizational climate causes of career plateau. The results shows that the two dimensions of career plateau both significantly influence employees work attitudes, and job tenure and career path significantly affects the organizational climate and career plateau.*

Key words: *Career plateau, Individual and organizational climate causes, Work attitudes.*

I. Introduction

One of the major questions facing the tomorrow organizations climate is how to plan and manage careers in a way that brings individual aspirations and need with the challenges confronting the firms themselves. When industrial organizational climate experience less growth and an increasing number of well-educated people with high career expectations enter organizational tournaments, a large number of employees experience longer assignments to the same position with lower prospects for future mobility within their firm. With the trend towards the flatter organization, the number of employees forced to stay at the same level and in the same job are increasing, and plateau occurs earlier and earlier in their career. This situation can lead to frustration and loss of motivation of the employees. Therefore, career plateau has been the focus of attention of a larger number of researchers trying to help organizations to solve these potential problems. Some researchers has studied the causes of career plateau. The model of plateaus theoretically explained the causes of career plateau (Feldman & Weitz , 1988). Recently, the three-factor casual model has been obtained the recognition (Tremblay & Roger, 1993). This model thought that the determinants of hieratical plateau could be divided into three broad categories: individual, familial and organizational factors. The first are linked to the specific situations of the individuals themselves: age, tenure, and focus of control, education level, a lack of skills or ambition et.al. The second set of factors includes family satisfaction, family scale, family load, the spouse's type of work et.al. The third set of factors involves structural characteristics and career path (staff or line position). Tremblay and Roger empirically validated the three-factor casual model (Tremblay & Roger, 1993). A larger number of literatures have also studied the effects of career plateau on the work attitudes and behaviors. But the literature in this area includes a multitude of contradictory conclusions about the attitudes of those who have attained a career plateau and those who have not. (Chao, 1990; Tremblay, et.al., 2004). Also, many empirical studies in this area have treated career plateau as one dimension conception. Career plateau may have more extensive connotation. Milliman(1992) divided career plateau into two dimensions: hierarchical plateau and job contend plateau. Hierarchical plateau was defined as the end of promotions. On the other hand, job content plateau was said to occur when work has been mastered and the job has become boring. At the age of knowledge economy and flatter organization, distinguishing between hierarchical and job content plateau is important and useful. Therefore, to indentify the causes and effects of hierarchical plateau and job content plateau respectively is useful to organizational career management.

II. Literature Review

The widely-accepted conceptualization of an individual's career is the lifelong sequence of role-related experiences of an individual (Hall, 1990, 2002). The literature differentiates between an individual's objective (external) and subjective (internal) feelings towards his or her career, and accordingly, objective and subjective measures of career success (Arthur et al., 2005; Melamed, 1996; Poole et al., 1993; Hall and Moss, 1998). An individual's objective feeling towards his or her career is identified as a sequence of official positions, salary changes, formal structures and titles, all of which are publicly accessible and defined external to the person (Melamed, 1996; Gould and Penley, 1984). Corresponding to the objective and subjective feelings towards the career of an individual, career success is the positive psychological and work-related outcomes accumulated as a result of his or her work experiences (Seibert and Kraimer, 2001). The research on the objective and subjective career success is diverse. One body of research studies relies on the argument that objective career success

affects subjective career success (e.g. Poole et al., 1993). Another group of studies elevates the role of subjective career success over the objective career success (e.g. Aryee et al., 1994). The third group of studies insists that the objective and subjective sides of career success are interdependent (e.g. Seibert et al., 2001). In each body of research, authors have often used cross-sectional designs and relied on what is statistically measurable (Arthur et al., 2005). Previous studies found that individuals with a higher subjective career success feel happier and more successful about their careers relative to their own internal standards (Nabi, 2003; Korman et al., 1981). Therefore, it is important to investigate subjective career success as it has implications for psychological well-being and the quality of work-life (Peluchette, 1993). Career satisfaction was chosen as a subjective career success measure for this study. Further, career satisfaction is also referred to an individual's perception of his or her up-to-date career accomplishments and prospects for future advancement (e.g. Gattiker and Larwood, 1986; Judge et al., 1995; Nauta et al., 2009). Several past studies suggest that career satisfaction is related to important work outcomes, such as absenteeism (Nachbagauer and Riedl, 2002) and turnover intention (e.g. Armstrong-Stassen and Ursel, 2009; Nauta et al., 2009). Previous research investigating the roots of career satisfaction found it to be a product of a variety of job experiences, including hours worked (Wallace, 2001), salary progression (Seibert et al., 1999), career plateau and superior career support (e.g. Allen et al. 2004; Greenhaus et al., 1990; Kim and McLean, 2008; Lee, 2002; Yarnall, 1998). The current study examines the effect of Organizational Climate and Career Plateau on Enterprises and MBA Classes in India

III. Career plateau

When the career of an individual is seen as a movement within an organization in terms of both hierarchical and task-oriented movements, career plateau is the lack of such a movement (Nachbagauer and Riedl, 2002). It is valid to express hierarchical career plateau as the point at which future career mobility is in reasonable doubt because the length of time in the present position has been unduly prolonged (Allen et al., 1998; Veiga, 1981). In the common pyramid-shaped organization virtually everyone's career at one time or another reaches a point where further hierarchical advancement is unlikely as a minority has the opportunity to make it to the top (see, Appelbaum and Santiago, 1997; Nachbagauer and Riedl, 2002; Prager, 1998). Although job tenure does not directly assess whether an individual has reached a plateau, it appears reasonable to assume that a long time in one position indicates limited prospects for upward mobility (McCleese and Eby, 2006). Some researchers compared the objective measurement with the subjective measurement and found that self-assessment of promotion chances explained more variance in work attitudes and behaviors than did the objective measurement of job tenure or position immobility (e.g. Chay et al., 1995). This occurs when employees are no longer challenged by their work (Allen et al., 1998). Therefore, in the offshore outsourced IT business environment, understanding job content plateauing seems particularly important. Previous research has examined the relationship between career plateau and employee career satisfaction (e.g. Allen et al., 1998; Armstrong-Stassen and Ursel, 2009; Nicholson, 1993). However, Armstrong-Stassen and Ursel (2009) and Nicholson (1993) found statistically significant negative relationship between job content plateau and career satisfaction.

Objectives of the study

1. To Study the impact of the Hierarchical Plateau and Job Content Plateau.
2. To Study the factors that affect organizational climate and Career plateau in Enterprises and MBA Classes.
3. To Examine the Hierarchical plateau and job content plateau are identified as variables that explain the nature of careers in the Enterprises in India.
4. To Study the Intrinsic Job Satisfaction and Extrinsic Job Satisfaction to know the job satisfaction level of plateau people.
5. To Study the Gender, Age, Marital Status, Educational level and Seniority effects on Career Plateau

IV. Research Methodology

The Study carried out using self administered survey based approach and Data Collection made through electronically through e-mails, online questionnaire was developed and the link to the on-line survey distributed via. e-mail. After collecting primary data, the interpretation done by using SPSS 19.0 version relevant statistical tools such as correlation used per deriving hypotheses and second factor analysis was used to conduct Harmon's single facto test.

Period of the Study

The Study is conducted in 283 Enterprises and MBA Classes in India for the Year 2012-2013.

Sample and Sample Size

The Direct contact person was identified at Enterprise and the person was asked randomly identify the people in Enterprises and MBA Classes and distribute the link to the online survey questionnaire via.e-mail. Questionnaires distributed were 492 but 283 usable responses resulted in 57.5% response rate.

Table-1 Sample Distribution

Sex	
Male (%)	165.40
Female (%)	117.55
Marital Status	
Single (%)	117.00
Married (%)	166.00
The Highest Level of Qualification	
Primary and higher level (%)	7.68
Associate level (%)	24.00
Bachelor level (%)	51.08
Master and Doctor level (%)	11.15
Managers (%)	33.11
Professionals (%)	45.22
Logistic professionals (%)	15.67
Owned enterprises (%)	37.24
Foreign funded Enterprises (%)	19.48
Private Enterprises (%)	39.28
Age	
Mean (years)	31.02
Median (years)	31.02
Standard Deviation	6.23
Tenure in the Enterprises and MBA Classes	
Minimum (years)	3.09
Maximum (years)	6.09

Note: n = 283, People from Enterprises and MBA Classes in India

V. Results

Means, Standard Deviations and Correlations among the career plateau and outcome variables for the sample are presented in the following Table 2. The Correlations show career plateau has potentially effects on organizational commitment, job satisfaction and turnover intentions

Table-2 Means, Standard Deviation and Zero-Order Correlations

Variables	Mean	SD	1	2	3	4	5	6
1.Hierarchical Plateau	14.23	5.21	-					
2. Job content Plateau	16.92	6.62	.403**					
3.Intrinsic satisfaction	33.49	5.04	-.356**	-.639**				
4 .Extrinsic Satisfaction	20.95	3.91	-.281**	-.544**	.754**			
5 Organizational Commitment	24.81	5.56	-.268**	-.581**	.674**	.735**		
6. Turnover Intentions	13.57	4.87	.226**	.467**	-.459**	-.611**	-.652**	

Note: * Significant at the 0.05 level (one-tailed); ** significant at the 0.01 level (Two-tailed); *Binary-coded variables; ^b Log transformed

Interpretation

In the above Zero-Order Correlation table shows that Correlation between the Hierarchical plateau and job content plateau and Job Content Plateau is negative and not significant similarly the correlation between Intrinsic Satisfaction and Extrinsic Satisfaction is negative and not significant. The Correlation between Organizational Commitment and turnover intentions is positive and significant.

The following are the Measurement scales of Variables by using Factor Analysis

Interpretation:

For the measurement scales, standardized Cronbach's alpha was conducted and principal-Components factor analysis (Varimax rotation) was examined. The criteria adhered to are: eigen values of all components should be less than 1.0; the loadings should be 0.50 or greater to be considered practically significant; Cronbach's alpha values of each factor extracted and overall measure should be greater than 0.7 (see Hair et al., 2006).

Organizational Climate and Career Plateau:

The organizational climate and career plateau were measured by the career plateau questionnaire developed by authors, based on the Chinese culture. Career Plateau was divided into hierarchical plateau and job content plateau.

- 1) **Hierarchical plateau** was defined as the end of promotion in the current organization. Job content plateau was defined as the impossibility to learn new skills and knowledge in the current job. Whereas hierarchical plateau subscale was a five-item scale (e.g., "I am doubtful to obtain a much higher job position in the current industry."). The Highest scores on this measure indicate greater perceptions of being Hierarchical plateau. Factor analysis yield one factor, where standardized Cronbach's alpha = 0.84.
- 2) **Job content plateau** is measured by a Five-item scale (e.g., "My job as becoming routine for me"). The Highest scores on this measure indicate Highest perceptions of being job content plateau. Factor analysis yield one factor, where standardized Cronbach's alpha = 0.87. The Career Plateau scale was measured based on five – point Likert scales (1. "Strongly disagree to 5. Strongly Agree"). For the each subscale, the higher score was obtained and the greater degree of plateau was perceived by subjects in organizational Climate. The two variables identified in the organizational climate and career plateau are Individual and organizational. Individual variables included gender, job tenure, seniority, age and educational level. Organizational variables include career growth, (management, professional, culture, supervisory support, compensation and personnel support) and the ownership of enterprise (state-owned, foreign-funded and private-owned).
- 3) **Intrinsic job Satisfaction** is measured by 12 items from Minnesota Satisfaction Questionnaire (Fields, 2004). The Highest Score on this measure indicate greater perceptions of Intrinsic job Satisfaction and the Factor analysis yield one factor, where standardized Cronbach's alpha = 0.84.
- 4) **Extrinsic job Satisfaction** is measured by 8 items from Minnesota Satisfaction Questionnaire (Fields, 2004). The Highest Score on this measure indicate greater perceptions of Extrinsic job satisfaction and the factor analysis yield one factor, where standardized Cronbach's alpha = 0.82.
- 5) **Organization commitment** is measured to know employees' affective commitment to the organization by 9 items from (Long, 2002). The Highest Score on this measure indicate greater perceptions of organization commitment and the Factor analysis yield one factor, where standardized Cronbach's alpha = 0.91.
- 6) **Turnover Intentions** is measured to know the employee intention to quit is measured by 4 items from the Turnover intention Questionnaire (Chen & Francesco, 2000). The Highest Score on this measure indicate greater perceptions of Turnover Intentions and the Factor analysis yield one factor, where standardized Cronbach's alpha = 0.88.

VI. Discussion & Results

This study aimed to examine the causes and effects of career plateau, and obtained some meaningful results. It quoted out that the two dimensions of career plateau both can decrease the employee's job satisfaction, organizational commitment, and increase turnover intentions. After controlling irrelevant variables, career plateau explained 32.3% to 49.6% of variances of the outcome variables. Among the two dimensions of career plateau, job contends plateau had greater effects on the employee's work attitudes. The possible one of reasons is that subjects are the average of 29.06 years old. According to Super's career development theory, the subjects are in the establishment stage. For them, the career development task is to develop or advance their skills and expertise in order to prepare for vertical or horizontal career movement. So the fact that the job contend plateau become the main dimension predicting the outcome variables is reasonable. This suggests that the organization should offer more on-job training opportunities for employees being in the establishment stage of career development. Based on Trembay's three-factor casual model, the current study divided causes of career plateau into individual and organizational factors. The study confirmed the three-factor model in part. Specifically, job tenure and career path have significant effects on career plateau. But gender, age, educational level and seniority have no significant effects on career plateau. Based on the Chinese culture, the study added the type of enterprise.

VII. Conclusion

The most important finding was that job content plateau has dominant effect on work attitudes comparative to hierarchical plateau. The present results support the assertion that the continual development of new skills and life-long learning has been identified as keys to career management within the context of the changing nature of work (Hall, 1996). The results also suggested that job tenure and career path were the most import factors affecting career plateau in organizational climate. The findings can provide organizations new insights into identifying strategies to help lessen perceptions of plateau. Future research in this important area should inquiry into the process of how the career plateau changes with the job tenure, and put forward more measures for organizational career management.

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