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Title and Authors

Title Assessing the extent to which career development impacts employee commitment: A case study of the ICT industry in Hong Kong

Keywords ICT, Employee commitment, perceived value of career development

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Purpose of Paper

Research Objective	Validate the generalizability of Wang' five-component commitment model
Practice Objective	Assess impact of career development on employee commitment in ICT industry
Application	ICT industry in Hong Kong SAR



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Location Hong Kong SAR – West meets East but strong Chinese culture influence

Government Strategy Premier digital city & telecommunications hub of Asia

Economic Conditions 1997-1999 Asian economic crisis
 2001 9/11 in USA
 2002 Bird flu
 2003 SARS

<u>Table 1: Hong Kong major economic indicators</u>	2004	2005	2006	2007F
Population, Mid-year (million)	6.78	6.81	6.86	6.92
Gross Domestic Products (US\$ billion)	165.6	177.2	188.8	199.4-201.3
Real GDP Growth (%)	+8.6	+7.5	+6.8	+6.3 ^a
GDP Per Capita (US\$)	24,400	26,000	27,500	28,800-29,000
Inflation (% Change in Composite CPI)	-0.4	+1.0	+2.0	+1.7 ^a
Unemployment Rate (%)	7.9	6.8	5.6	4.1 ^b



F = Government forecast for 2007

a = Year-on-year in 1st half 2007

b = July 2007

Source: Economic & Trade Information on Hong Kong (May 2007), Hong Kong Trade Development Council



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Size	ICT Practitioners	74,000 estimated
Demand	Demand Employee Turnover	Very high High and major challenge for HR
Expected		56% companies to increase head-count in 2 nd Demand quarter 2007
Reasons for Turnover		Perceived limited career progression Keep up to date with latest technology Career development opportunities (Mak & Sockel 2001)



Literature Review

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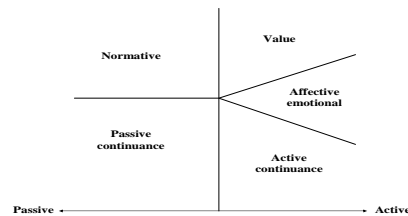
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Employee
Commitment

Relative strength of an individual's identification with & involvement in a particular organization (Mowday, Steers & Porter 1979)
15-item organization commitment questionnaire (OCQ)
Affective commitment – emotionally attached
Continuance – stay because of lack of job alternatives or costs associated with leaving
Normative – stay out of obligation
Psychological state of employee's relationship with company (Meyers & Allen 1991)

Commitment Model
China



Organizational commitment (OC) predictor of job satisfaction but not other way round (Wong et al. 2001)
Different EC displayed due to. Social, Institutional & Cultural variations (Ling ,Fang & Zhang 2002)
Five-component model – affective, normative, ideal, economic (continuance), choice (Ling ,Fang & Zhang 2002)
Five-component model – affective, normative, active continuance, passive continuance, value (Wang 2004)

Demographic
Variables

China studies - weak correlations
Demographic profile-no relationship to OC (Chen & Francesco 2000)

Value of
Career
Development

Most powerful predictor OC (Arnold & Davey 1999)
Perceived value of CPD positively impacts OC (Rothwell & Arnold 2005)





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- Hypotheses
1. Five-component model better explains ICT employee commitment
 2. Demographic variables significantly correlate with EC
 3. Perceived value of career development has positive impact on 5-C Model

Sample 300 useable questionnaires ICT professionals in HK

Data Correlation
Analysis Confirmatory factor analysis
Structural equation modelling (AMOS)



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Components of Commitment

Five-component model fits better

Table 2

	Model	GFI	AGFI	CFI	NFI	χ^2	DF	χ^2/DF	SRMR
1	A-C-N	0.856	0.796	0.746	0.700	328.988***	74	4.446	0.069
2	A-C-N-V	0.858	0.812	0.791	0.728	419.592***	129	3.253	0.058
3	A-Ca-Cp-N-V	0.899	0.862	0.875	0.806	298.882***	125	2.391	0.043

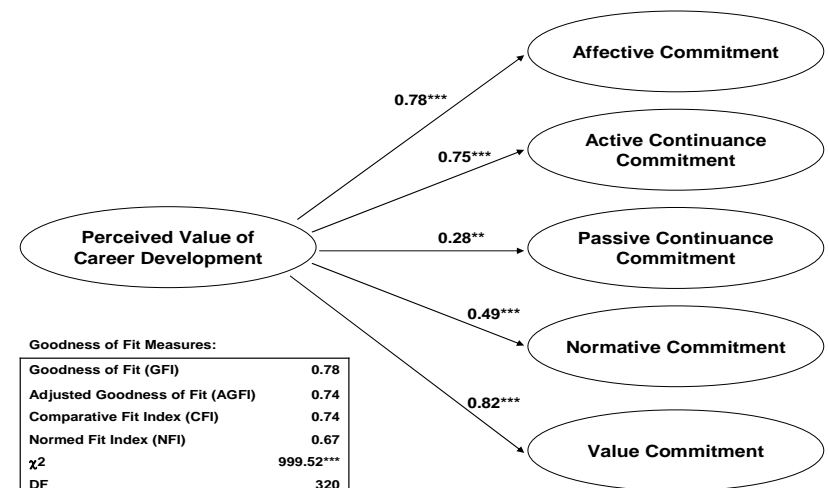
*** p < 0.001

Demographics

Not antecedents of EC Table 3

Impact Perceived value of CD on EC

Significant impact on all 5 - biggest on value Figure 2



Goodness of Fit Measures:

Goodness of Fit (GFI)	0.78
Adjusted Goodness of Fit (AGFI)	0.74
Comparative Fit Index (CFI)	0.74
Normed Fit Index (NFI)	0.67
χ^2	999.52***
DF	320
χ^2/DF	3.12
Root Mean Residual (RMR)	0.11

Note: *** p < 0.001
** p < 0.01





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- Implications
- Need EC model that is culturally sensitive -applicable to HK Chinese
 - HR practitioners need better understanding of ICT EC
 - If ITCs not provided with career development opportunities very likely look to other organizations that will

- Limitations
- Model tested on the Chinese only - generalizability
 - EC may vary with external labor market conditions – extraneous variables not considered
 - Response rate 7%

- Future Research
- Longitudinal study
 - Different professions
 - Different cultures
 - would like to do for ACIS



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Conclusion

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Thanks Thank you for the opportunity to present this paper

Want to acknowledge the work of Joseph Chui & Canon Tong

Table 1



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Table 1: Hong Kong major economic indicators

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Figure 1

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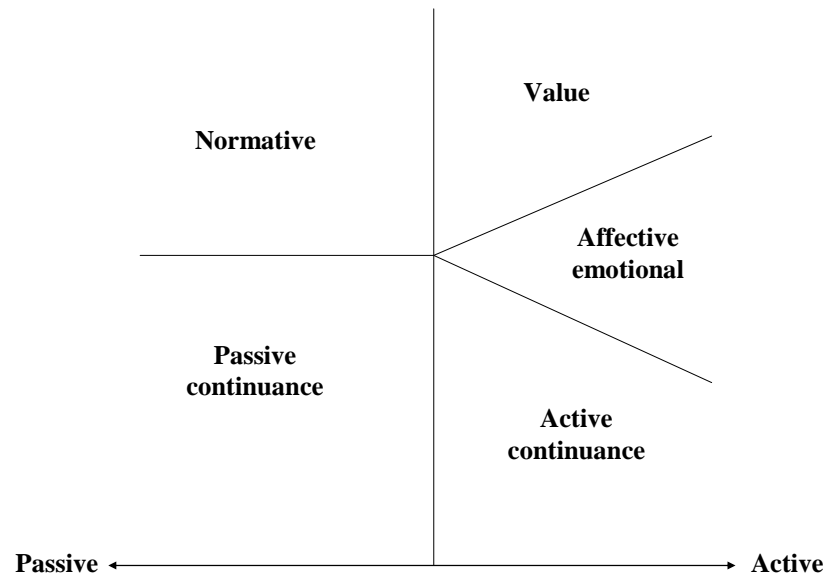


Figure1: Organizational commitment structure of Wang's model (Wang 2004, p. 660)



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Table 2: Confirmatory factor analysis results (n=300)

Model		GFI	AGFI	CFI	NFI	χ^2	DF	χ^2/DF	SRMR
1	A-C-N	0.856	0.796	0.746	0.700	328.988***	74	4.446	0.069
2	A-C-N-V	0.858	0.812	0.791	0.728	419.592***	129	3.253	0.058
3	A-Ca-Cp-N-V	0.899	0.862	0.875	0.806	298.882***	125	2.391	0.043

*** p < 0.001

Table 3



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Table 3: Means, standard deviation, and inter-correlations among variables (n=300)

Variables	Mean	SD	1	2	3	4	5	6	7
1 Affective commitment	3.40	0.51	1.00						
2 Active continuance commitment	3.39	0.51	0.84**	1.00					
3 Passive continuance commitment	3.11	0.65	0.16	0.22*	1.00				
4 Normative commitment	2.80	0.76	0.38**	0.38**	0.53**	1.00			
5 Value commitment	3.37	0.54	0.70**	0.80**	0.23*	0.56**	1.00		
6 Age	2.65	1.15	0.05	0.07	0.07	-0.05	0.04	1.00	
7 Gender	1.30	0.46	0.01	-0.01	-0.08	-0.03	0.04	-0.05	1.00
8 Tenure	1.49	0.77	0.02	0.06	0.02	-0.12	-0.13	0.59**	-0.04

Note: ** Correlation is significant at the 0.01 level

* Correlation is significant at the 0.05 level



Figure 2

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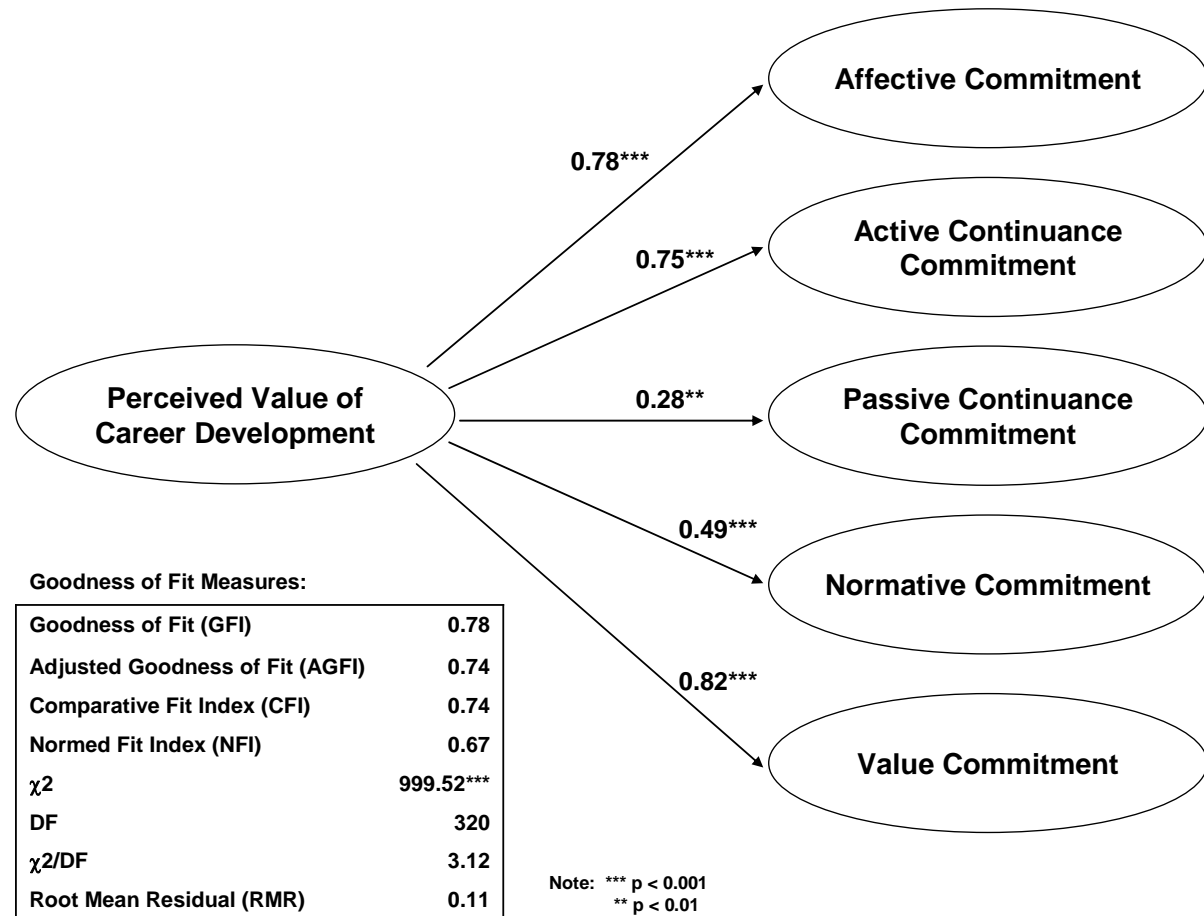


Figure 2: Impact of perceived value of career development on employee commitment