

# Trends and Challenges on Human Resource

**International Workshop**

ISAG – European Business School  
October 23-24, Porto, Portugal

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**Trends & Challenges on Human Resource**

**International Workshop**

**ISAG - European Business School**

**and**

**AEDE - Association of the Economics of Education**

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**Edited by**

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## Presentation

Welcome to the Trends and Challenges in Human Resource International Workshop!

This International Workshop is devoted to all of those, researchers and practitioners, wishing to expand the knowledge in the Human Resource field. Thus, it is not a Management or Development gathering. In fact, management and development in the field of human resource is so closely connected that we cannot and should not separate both.

The Human Resource discipline is boiling with different approaches to old concepts but also new approaches to new facts and realities. Such dynamic is certainly the result of the importance that this field is gaining, not only in the academic, but also the managerial field.

We have three main goals with this international workshop:

- To provide a “stage” for the “rehearsal” of such new approaches, while promoting multi-disciplinary studies using different theoretical backgrounds;
- Give opportunity to early-career scholars and PhD students to present their research and new insights to the discipline;
- And finally, make a contribution to the professional growing of researchers by providing useful tools for developing and disseminate better research.

Welcome to Porto, welcome to ISAG and have a great workshop!



Pedro Ferreira  
Scientific Committee  
ISAG – European Business School

## Objectives

The Trends and Challenges on Human Resources International Workshop has three main goals:

- Create a forum for presenting and discussing empirical and theoretical research in the subject of human resources.
- Get together researchers from both Human Resource Management (HRM) and Human Resource Development (HRD) for sharing perspectives on HR and develop new paths of joint research and practice.
- Contribute to the improvement of research quality and researchers' skills by providing the contact with senior scholars and publishers.

The International Workshop will include the Emerald Guide to Getting Published. This session provide insight to help new or potential authors give their papers the best possible chance of acceptance and publication. Given by the Emerald team, editors and other representatives, the Guide is aimed at helping authors progress successfully through the various stages from pre-submission of the manuscript, to revision and, finally, publication.

For more information please go to:

<http://www.emeraldgrouppublishing.com/authors/workshops/index.htm>.

## Publication opportunities

All abstracts presented at the workshop will be published in *Proceedings* with ISBN.

The European Journal of Applied Business and Management (EJABM) will publish a special issue with selected papers from the workshop. The European Journal of Applied Business and Management (EJABM) is an international double-blind-peer-reviewed, open-access academic journal that publishes original empirical and theoretical research articles. EJABM publishes four general issues per year and special issues devoted to specific subjects and business sectors.

It provides opportunity for knowledge dissemination and gives incentive to research in the areas of applied business, such as business strategy, marketing, entrepreneurship and innovation, human resource management, organizational behaviour, organizational theory and international business. EJABM is owned by ISAG – European Business School. For more information please go to: <http://nidisag.isag.pt/index.php/IJAM>.

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# The Role of HR Competences in boosting Employee and Organisational Outcomes

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**ABSTRACT:** Human Resources action and contribution to an organization's competitiveness is a topic of interest, both from the academic and the practitioner perspectives. HR practices can produce effects on the way organizations align their resources in order to achieve their goals. One important topic in the literature is related to the contribution of the HR function to workplace and organizational performance. Previous research undertaken by the SHRM Foundation indicates that success of HR professionals is a function of their knowledge and the behavior they engage in applying that knowledge.

This study intended to understand how human resources professionals' skills and competences are related to employees' engagement (measured by vigor, dedication and absorption) and how this engagement impacts organizational outcomes, such as perceived company performance, and human resources outcomes, such as job satisfaction and intention to quit.

## MAIN RESULTS

HR competencies and skills are related with employee engagement, mainly with dedication and vigor, but not with absorption.

Another relevant conclusion is that HR competencies present significant and robust direct relations with companies' performance outcomes (Product and Market

Performance, HR Performance) and with HR outcomes (Job Satisfaction and Intention to Quit).

The most unexpected result is the negative relation of Organizational Leadership & Navigation with all the outcomes. This competency deals with the ability to direct initiatives and processes within the organization with agility in order to gain buy-in from stakeholders. The sample of this study was mainly made of early and mid-level HR professionals, and only 5.5% were at the executive level. This may help explain the results since organizational leadership and navigation demand more leadership skills and charisma, more suited to higher professional levels.

Engagement makes significant and robust contributions to the elected outcomes. More engaged employees tend to be more satisfied and less prone to leave the organization. Also, more engaged employees perceive more positively organizations' HR efforts and contribute more the company's product and market performance.

#### IMPLICATIONS FOR PRACTICE

Good levels of proficiency in Business Acumen, Critical Evaluation, Relationship Management and HR Technical Expertise may lead to better performance, either product and market oriented, or HR oriented. Thus, HR professionals and organizations should strive to develop these competencies in their HR professionals, so that they can positively contribute to the organization's competitiveness.

## Which Skills are Important for Economic Growth? Cognitive versus Noncognitive Skills

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**ABSTRACT:** Ample empirical research has found a positive association between cognitive skills and economic growth, where cognitive skills are measured through international student achievement tests (ISATs). At the same time, there is a growing attention to the fact that the scores upon ISATs depend both on cognitive- and noncognitive skills. Microeconomic literature emphasizes the importance of these noncognitive skills for success in later life. This study uses recent techniques to disentangle ISAT scores into a cognitive- and noncognitive component in order to identify the separate effect of both type of skills upon economic growth. According to our results the positive association between cognitive skills and economic growth is substantially reduced after controlling for noncognitive skills. At the same time, noncognitive skills are significantly and positively associated with economic growth. Furthermore, the association between noncognitive skills and economic growth is more robust to the inclusion of usual controls (openness, expropriation index, fertility and tropical location) than cognitive skills.

# Linking Transformational Leadership and Organisational Commitment

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**ABSTRACT:** The main goal of this paper is to analyse the impacts of transformational leadership on organisational commitment.

To this effect we developed a case study following a quantitative methodological approach. The research was conducted at the Serralves Foundation (Porto, Portugal) to empirically test the proposed research model and its hypothesis.

The empirical results confirm that transformational leadership are not significantly influenced by commitment.

As the main limitation of this study we highlight the fact that it does not consider the leaders' perspective on their subordinates' behaviour.

## From Training to Learning in Public Administration

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**ABSTRACT:** The world has gone through several social, economic and technological changes that have “shaped” a new economic-technician paradigm. This new paradigm leads to an increasingly critical and dynamic society that demands better results and quality of public administration services.

In this context, public institutions are in need of a new learning model, enabling greater speed of preparation and development of its public employees in a way to support the development of strategic competencies of the institution, in order to allow the Public Administration to better comply with the expectations of society.

In the past, the training activities of the public institutions used to be focused only on the job field, in the other words, the training was specific to the professional function people have in the organization, to provide this public employees skills to work correctly.

With the rising of a new reality, which originates from the ongoing changes in the workplace, transformation of technologies and processes, as well as the focus of producing results with more quality and effectiveness, arises the need to prepare the public employees for the development of activities and for the future, with flexibility and learning ability to integrate and articulate different knowledge, aiming at improvement of individual and organizational competencies.

Thus, the change to a strategic Corporate Education model becomes relevant as being able to support the training and development of professionals and managers in organizations of the public administration.

The objective of this study is to analyze the transformation of the traditional model of training and development based in functions / activities into a strategic model of Corporative Education focused on development of the competences of people, also presenting the scenario, implemented actions and its validity as a way of supporting Public Administration in achieving their goals.

The methodology of the work is based on the mapping of practices, actions and training results in a specific Public Organization, analyzing them with the practice of creating a learning environment, checking the alignment of these questions with the construction of this environment.

## **Returns to education in transition and advanced European countries: The role of an expansion of higher education**

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**ABSTRACT:** According to the human capital theory, a mainstream economic theory, education increases the productivity of workers. Thus, the higher the education, the higher the wages. This, however, does not comply with the sudden increase of – initially rather low – returns to education during the transition of communist countries to

market economies. In our analysis, we first gather secondary statistical evidence on trends in returns to education in transition countries in the 1990s. Next we compare the evidence on returns to education in advanced countries which differ considerably in levels and trends. The empirics revealed that an increase in number of higher educated people does not necessarily lead to decreasing returns of education.

In the last decade both transition and advanced countries typically witnessed a trend of an increase of number of people with tertiary education. This should eventually lead to a decrease, or at least to a non-increase, of returns to education. The aim of this study is to analyse the trend of returns to education in both transition and advanced countries and its relation to the share of tertiary educated population in the 2000s.

First, we applied OLS and Heckman selection models on EU-SILC data 2005-2012 to estimate the impact of tertiary education on wage levels. In those transition countries that reached the level of advanced countries (as early as) in the 1990s, private outcomes for higher education seem no longer to be rising. The premiums for tertiary educated persons in comparison with secondary educated remains nevertheless large, with about 5% at the bottom (Sweden) and 40% at the top (Hungary).

As the final step we examine the trend of returns to education using a panel estimation technique. On country level, the impact of several variables on returns to education is analysed. The factor of our main interest is the share of people with tertiary education in a country. The impact of GDP, unemployment rate, share of employment in services, tax wedge, EPL etc. on returns to education is analysed as well in order to find a common explanation of the development of returns to education in European countries.



## Publish or Perish? Incentives and Careers in Italian Academia

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**ABSTRACT:** We derive a theoretical model of effort in the presence of career concern based on the multi-unit all-pay auction, and closely inspired by the Italian academic market. In this model, the number of applicants, the number of new posts, and the relative importance of the determinants of promotion determine academics' effort. Because of the specific characteristics of Italian universities, where incentives operate only through promotion, and where all appointment panels are drawn from strictly separated and relatively narrow scientific sectors, the model fits well Italian academia, and we test it in a newly constructed dataset which collects the journal publications of all Italian academics working in universities. We find that individual researchers respond to incentives in the manner predicted by the theoretical model: more capable researchers respond to increases in the importance of the measurable determinants of promotion and in the competitiveness of the scientific sector by exerting more effort; less able researchers do the opposite.

# Innovation in Education Analytical Framework and International Best Practices

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**ABSTRACT:** Innovation has traditionally been associated to economic dynamics and for profit organizations (firms), however, in the last decades, policy has pushed to spread the "innovation imperative" from private organizations to the provision of public services. By fostering innovation in the public sector in general and in education in particular, individuals and societies could benefit from significant welfare gains. This means that innovative approaches in the administration of education, the way on how the education systems is organized or even pedagogical changes may lead to positive impacts increasing providers efficiency, schooling equity or the learning outcomes of students. Nevertheless, emphasize that innovation in education is a complex phenomenon occurring in several levels of the education system and affecting different education goals.

Our research aims to understand the characteristics and nature of innovations in education services by first presenting an analytical framework which provides a definition and classification for innovations in education. Then based on a thorough literature review we seek to identify real innovation evidence-based practices by school autonomy domains in OECD countries, providing useful insights on how technology and education-actors (students, teachers, school principals, parents, policy-makers, etc.) interact and are more likely to innovate. Results aim to build over existing literature and link two strands of research (education and innovation) until now address at more macroeconomic level.

Results achieved suggest that among all autonomy domains, organization of instructions is the most dynamic in terms of innovations (novel assessments, new teaching methodologies based on ICTs, on-the-move student grouping, learning time and time management among others). Furthermore, resource management innovations become prominent, especially as teachers (and other school staff) play a key role in education (teacher monitoring, professional development or even incentive policies). From the above, we observe that innovations consider actor interactions (teacher student relation or team teaching practices), which means innovations are namely driven by more intangible forms. Moreover, we observe that innovations in education have an important social component (people interaction) and that governmental (education) authorities can also innovate (and play an important role). Policy and managerial implications exist, however, more research must be undertaken.

## **Selecting expatriates: The relationship between skills and the international staffing model**

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The development of the business in global markets has advanced at a breathtaking pace that has often outpaced the ability of certain firms to identify and develop skilled employees for international assignment. For this purpose, the selection process and the expatriates' skills have attracted wide attention from researchers and practitioners, especially because failures in international assignments may arise from lack of suitable

skills. Our study joins this research and focuses on multinational firms operating in Portugal with expatriates in several countries worldwide.

The starting question of this study is about the skills that make an employee candidate to international assignment and potentially impact on his/her success. Literature suggests that both technical skills and personality traits are critical and affect international assignments. For instance, Hammer et al. (2008) report cross-cultural skills; Black et al (1999) emphasize cultural flexibility, ability to develop interpersonal relationships, to manage conflicts, and leadership style; and Van der Zee and Van Oudenhoven (2000) suggest cultural empathy, openness of mind, cultural initiative, emotional stability and flexibility. Despite the lack of consensus around the set of skills, the common perception is that an appropriate balance between soft and technical skills in addition to non-ethnocentric traits may contribute to success, while preventing expatriation failures.

However, literature fails in accounting for the relationship between skills required to being a candidate for expatriation and the international staffing model. Our study tries to fill this gap and offers empirical evidence on the specific skills required in an ethnocentric, polycentric and geocentric approach. Empirical evidence is supported on a qualitative and explorative study and uses information from three multinationals firms operating in different countries and different economic activities.

The findings illustrate that skills like leadership and goal orientation skills are common to all models. Furthermore, the results indicate that employers privilege industry-specific and occupational-specific skills. In this regard, firms privilege technical skills which are however linked to the type of activities to be performed and responsibilities conferred to expatriates in the host country, including management skills. The skills specific to staffing models are particularly related to cultural issues. Ethnocentric firms privilege cultural adaptation skills; polycentric firms highlight the relevance

acknowledgement of cultural diversity skills, while cultural interaction skills are more relevant in geocentric firms. It should be stressed that staffing model introduces some kind of hierarchy inside cultural skills. While the former types limit those skills to respect of diversity, geocentric firms insist on interaction with host country culture.

The implications of the study's findings are relevant in human resources management because it allows highlighting the interaction between the model of internationalization and the skills most suitable to accomplish such strategy. The study is also pertinent in countries like Portugal with lower experience in expatriation than European and American firms. Ultimately, our findings suggest that the type of skills demanded for expatriates is closely associated with the kind of relationship the multinationals are willing to implement in the host country.

## **Changes in HRM practices in SME: an exploration of processes**

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Human Resource Management (HRM) in small companies may be described as changing from informal, reactive sets of practices to more organized and coordinated systems as companies mature. Understanding the patterns in these changes is relevant, e.g. in terms of consultancy and other types of organizational intervention.

We conducted 12 case studies in small textile and metal work companies in order to understand their organizing strategies since their foundation. Specifically, we were looking for classes of events that triggered the differentiation of management structures; the processes that brought about these changes in structure; the changes in

HRM structures and practices associated with them and the impact of these changes on perceptions of organizational processes by different actors.

These case studies highlighted the existence of external triggers (e.g. perception of successful competitors in the same markets, quality accreditation, specific demands by important customers) and internal triggers (e.g. high absenteeism and turnover, technological innovations) that led to management differentiation.

These processes were in most cases felt as radical departures from the way the companies operated previously, in some cases causing significant changes in the dominant alliances of companies. In some but not all cases these changes were accompanied by changes in HRM structures and practices in the sense of a more organized and coordinated system of practices.

We explore the idea that changes in HRM structures and practices are partly determined by the attempt to keep the social organizational process intelligible to, at least part of, the dominant alliance in the organization.

## **The role of human resource management practices and organizations internal context in performance**

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The main purpose of the present study is to test the association between Human Resource Management practices (HRMP) perceptions and organizational performance. A vast body of research has showed both evidence of a positive relationship (Coombs, Liu, Hall and Ketchen, 2006) or mixed results (Wall and Wood, 2005). A parallel trend,

mostly in organizational behavior, has also tested variables of organizations internal context or climate, for their relationship with performance. Following previous work (Pires, 2013) where we tested the relationship between high performance HRMP, organizational virtuousness (OV), and service climate (SC) as predictors of service-oriented organizational citizenship behaviors (SO-OCB), in order to unveil the relations inside the “black-box”, we now tested the relations of HRMP, alongside the previous variables, with performance. The data was collected based on a sample of 525 individuals from 22 establishments, with performance indicators collected at the establishment level. The results showed (a) a positive relationship between perceived organizational integrity and organizational performance, as well as a negative relationship with staff turnover; (b) and a negative relationship between employment conditions and staff turnover. These findings allow us discuss the role of HRMP and of organizations internal characteristics on performance.

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