AN EMPIRICAL STUDY OF THE RELATIONSHIP BETWEEN CAREER PROGRAM AND EMPLOYEE OUTCOMES

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Abstract

This study aims at investigating the relationship between career program and employee outcomes. A survey method was employed to gather data from employees who work at a military based university in Malaysia. The outcomes of SmartPLS path model analysis showed four important findings: first, career planning was positively and insignificantly correlated with job satisfaction. Second, career management was positively and significantly correlated with job satisfaction. Thirdly, career planning was positively and insignificantly correlated with career commitment. Finally, career management was positively and significantly correlated with career commitment. This result confirms that career planning does not act as an essential predictor of job satisfaction and career commitment, but career management does act as an essential predictor of job satisfaction and career commitment in the studied organization. In addition, this study provides discussion, implications and conclusion.

Keywords: Career planning, career management, job satisfaction, career commitment

1. INTRODUCTION

In an organizational context, career program is generally viewed as a crucial human capital management function (Ismail et.al., 2013; Wilkens & Nermerich, 2011). It refers to an employer designs and administers career programs to tie up employees’ interests and capabilities with organizational opportunities, as well as adjust with current and future organizational changes. This effort will motivate employees to choose occupations or professions not only to obtain salaries, but also to earn a better progress in their career paths (Baruch, 2004; Greenhaus et al., 2000; Martin et al., 2001; Theodossiou & Zangelis, 2009). A review of current literature pertaining on human capital development shows that career program consists of two salient features: career planning and career management (Conger, 2002; Nachbagauer et al., 2002; Post et al., 2007). Career planning is defined as management plans on going career program activities for their employees using proper assessment tools (e.g., vocational counseling, workbooks and/or career resource centre) in order to identify career options and preferences, set up development objectives and establish action plans to help employees match their interests and capabilities with organizational opportunities (Appelbaum & Shapiro, 2002; Dessler, 2013; Greenhaus et al., 2000; Mody et al., 2002; Puah & Ananthram, 2006). Conversely, career management is usually defined management continuously monitors career program activities in order to enable employees easily adapting with organizational changes (e.g., turbulent working environment, job stability and security, flexible work practice and multi skilling) and to achieve higher career ladders in organizations (Greenhaus et al., 2000; Martin et al., 2001; Whymark & Ellis, 1999).
Interestingly, extant studies in the organizational career program reveal that the ability of management to properly plan and manage career programs may have a significant impact on employee outcomes, especially job satisfaction (Wilkins & Nermerich, 2011; Ismail et al., 2013), and career commitment (Ferreira et al., 2007; Hirschi, 2009). In an organizational behavior perspective, job satisfaction is normally interpreted as a form of behavior towards work of conditions, employees’ judgment and employees process of thoughts regarding with their jobs, facets or aspects (Linz, 2003; Mobley et al., 1978; Weiner, 1982), individuals’ positive emotional state, pleasurable feelings and/or attitudes towards job resulting from their appraisals about the extrinsic and intrinsic job characteristics (Appelbaum & Shapiro, 2002; Gregson, 1987; Linz, 2003; McShane & Von Glinow, 2005).

In a career program model, most researchers think that career planning, career management, job satisfaction and career commitment are distinct, but strongly interconnected constructs. For example, the ability of management to appropriately plan and manage the progression of employee career paths may lead to enhanced positive employee outcomes, especially job satisfaction and career commitment in organizations. Although the nature of the relationship between career program and employee outcomes is interesting, the role of career program as an important predicting variable has been given less emphasized in the workplace career research literature (Hirschi, 2009; Ismail et al., 2013). Many scholars argue that this condition is due to the previous studies have much explained the features of career program, employed a simple association method to describe respondent attitudes toward general career program features, and determines the degree of association between career program and particular employee outcomes, as well as neglected to measure the effect size and nature of the correlation between career program and employee outcomes in the workplace. As a result, these studies have provided inadequate findings and not much help practitioners to clearly understand the complexity of career program, and formulate strategic career programs to upgrade organizational competitiveness in an era of knowledge based economy (Hirschi, 2009; Ismail et al., 2013; Wilkins & Nermerich, 2011). Therefore, this situation encourages the researchers to further explore the nature of this relationship. Specifically, this study was undertaken to investigate the relationship between career program and employee outcomes.

2. LITERATURE REVIEW

Several extant studies using an indirect effects model to measure organizational career program based on different samples, such as perceptions of 445 respondents in Portugal (Ferreira et al., 2007), perceptions of 330 Swiss eighth graders in Switzerland (Hirschi, 2009), 5500 household taken from British Household Panel Survey (Theodossiou & Zangelisa, 2009), 620 students from Portuguese school system (Janeiro, 2010), 13 in-depth interviews with workers from knowledge intensive working context (Wilkins and Nermerich, 2011), and 140 employees in a Sabah local government in Borneo (Ismail et al., 2013). The results of these studies reported two important findings: first, the ability of management to properly plan (e.g., set up goals and policies) and manage (e.g., monitoring the progression of employees in career paths) career programs had motivated employees to enhance their job satisfaction (Theodossiou & Zangelisa, 2009; Wilkins & Nermerich, 2011; Ismail et al., 2013), and career commitment (Ferreira et al., 2007; Hirschi, 2009).

The empirical studies support the notion of motivation theory. For example, Herzberg’s (1959,1966) motivator-hygiene theory posits that work characteristics as important factors that enhance individual motivations. While, Alderfer’s (2002) Existence, Relatedness and Growth theory explains that job needs as essential factors that enhance individual motivations. Further, McClelland’s (1962) learned needs theory highlights that need for achievement, need for affiliation and need for power as important predictors of individual motivations. Application of these theories in a career program model reveals that individuals’ work characteristics (Herzberg, 1959,1966), individuals’ job needs (Alderfer, 2002), and individuals’ learned needs (McClelland,1962) will enhance if management able to appropriately plan and manage the progression of employee career paths. Consequently, it may lead to greater job satisfaction (Theodossiou & Zangelisa, 2009; Wilkins & Nermerich, 2011; Ismail et al., 2013) and career commitment (Ferreira et al., 2007; Hirschi, 2009). Therefore, it was hypothesized that:

H1: There is a positive correlation between career planning and job satisfaction

H2: There is a positive correlation between career management and job satisfaction

H3: There is a positive correlation between career planning and career commitment

H4: There is a positive correlation between career management and career commitment
3. METHOD

3.1 Research Design

A cross-sectional research design was employed in this study because it permits the researchers to integrate the organizational career literature, the unstructured interview, the pilot study and the actual survey as a main procedure to gather data. As suggested by prominent researchers (Cresswell, 1998; Sekaran, 2000), this method able to gather accurate data, less bias data and high quality data in social science research. The location of this study was a military based university in Malaysia. At the initial stage of this study, survey questionnaire was drafted based on the organizational career program literature. Next, unstructured interview was conducted involving two experienced HR managers and two experienced supporting staff in the human resource management department of the organization.

The information gained from the interview method helped the researchers to understand the features of career planning, career management, job satisfaction, and organizational commitment, as well as the correlation between such variables in the context of this study. After that, a pilot study was conducted by discussing the survey questionnaire with the interviewed participants in order to verify the content and format of the questionnaire for an actual study. Hence, a back translation technique was employed to translate the survey questionnaires into Malay and English versions in order to enhance the validity and reliability of the instrument (Hulland, 1999; Wright, 1996).

3.2 Measures

The survey questionnaire consisted of three major sections: first, career planning had 3 items and career management had 3 items that were modified from career program literature (Hirschi, 2009; Ismail et al., 2013; Janeiro, 2010; Theodossiou & Zangelis, 2009; Wilkens & Nermerich, 2011). Second, job satisfaction had 6 items that were modified from job satisfaction literature (Chen et al., 2004; Knoop, 1993; Hackman & Oldham, 1980; Linz, 2003; Nachbagauer & Riedl, 2002). Third, career commitment had 6 items that were adapted from career commitment literature (Chen et al., 2004; Colarelli & Bishop, 1990; Nachbagauer & Riedl, 2002). All these items were measured using a 7-item scale ranging from “strongly disagree/dissatisfied” (1) to “strongly agree/satisfied” (7). This study emphasizes on employee attitudes, so demographic variables were used as controlling variables.

3.3 Sample

A convenient sampling technique was used to distribute 200 survey questionnaires to employees in the organization. This sampling technique was chosen because the list of registered employees in the organization was not given to the researchers for confidential reasons, and this condition did not allow the researchers to randomly select participants. From the total number, 92 usable questionnaires were returned to the researchers, yielding a 46 percent response rate. The survey questionnaires were answered by participants based on their consent. This figure exceeds the minimum sample of 30 participants as required by probability sampling technique, showing that it can be analyzed using inferential statistics (Sekaran, 2000; Leedy & Omrod, 2005).

3.4 Data Analysis

The SmartPLS version 2.0 was employed to analyze the survey questionnaire data because it able to produce latent variable scores, avoids small sample size problems, estimate every complex model with many latent and manifest variables, hassle-stringent assumptions about the distribution of variables and error terms, as well as handle both reflective and formative measurement models (Henseler et al., 2009). In this statistical package, confirmatory factor analysis was used to determine the validity and reliability of the instrument and test the hypothesized model. The results of SmartPLS path analysis can show clearly the significant relationship between the independent variable and dependent variable if the value of t statistic larger than 1.96. While, the value of $R^2$ is used as an indicator of the overall predictive strength of the model. For example, the value of $R^2$ is considered as follows: 0.19 (weak), 0.33 (moderate) and 0.67 (substantial) (Chin, 1998). Further, a global fit measure is conducted to validate the adequacy of PLS path model globally based on Wetzels et al.’s (2009) global fit measure. This result confirms that the PLS path model has better explaining power in comparison with the baseline values (GoF small=0.1, GoF medium=0.25, GoF large=0.36). If the results of testing hypothesized model greater than the cut-off value of 0.36 for large effect sizes of $R^2$, showing that it adequately support the PLS path model globally.
4. RESULTS

In terms of participant characteristics, the majority of respondents were males (52.2 percent), aged between 28 to 32 years old (47.8 percent), diploma holders (39.1), employees who served from 1 to 5 years (88 percent), and employees who have monthly salaries starting from RM1001 to RM2000 (41.3 percent).

A confirmatory factor analysis was employed to determine the validity and reliability of the instrument. Table 1 shows the results of convergent and discriminant validity analyses. All constructs had the values of average variance extracted (AVE) larger than 0.5, indicating that they met the acceptable standard of convergent validity (Barclay et al., 1995; Fornell & Larcker, 1981; Henseler et al., 2009). Besides that, all constructs which had the diagonal values of \( \sqrt{\text{AVE}} \) were greater than the squared correlation with other constructs in off diagonal, showing that all constructs met the acceptable standard of discriminant validity (Henseler et al., 2009).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Career Planning</th>
<th>Career Management</th>
<th>Job Satisfaction</th>
<th>Career Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Planning</td>
<td>0.7468</td>
<td>0.8642</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Management</td>
<td>0.7537</td>
<td>0.3643</td>
<td>0.8682</td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.7745</td>
<td>0.2847</td>
<td>0.7254</td>
<td>0.8801</td>
</tr>
<tr>
<td>Career Commitment</td>
<td>0.7313</td>
<td>0.2907</td>
<td>0.6322</td>
<td>0.6683</td>
</tr>
</tbody>
</table>

Table 2 shows the factor loadings and cross loadings for different constructs. The correlation between items and factors had higher loadings than other items in the different constructs. The variables loaded more strongly on their own constructs in the model, exceeding the specified minimum, 0.7 (Chin, 1998; Fornell & Larcker, 1981; Gefen & Straub, 2005). This result showed that the measurement model met the acceptable criterion of validity analysis.

<table>
<thead>
<tr>
<th>Construct/Item</th>
<th>Career Planning</th>
<th>Career Management</th>
<th>Job Satisfaction</th>
<th>Career Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP1</td>
<td>0.842336</td>
<td>0.262703</td>
<td>0.277325</td>
<td>0.248341</td>
</tr>
<tr>
<td>CP2</td>
<td>0.882776</td>
<td>0.231424</td>
<td>0.213762</td>
<td>0.163963</td>
</tr>
<tr>
<td>CP3</td>
<td>0.866983</td>
<td>0.419996</td>
<td>0.236740</td>
<td>0.312304</td>
</tr>
<tr>
<td>Career Management</td>
<td>0.252536</td>
<td>0.919823</td>
<td>0.719586</td>
<td>0.651371</td>
</tr>
<tr>
<td>CM1</td>
<td>0.304364</td>
<td>0.895471</td>
<td>0.648401</td>
<td>0.502677</td>
</tr>
<tr>
<td>CM2</td>
<td>0.428832</td>
<td>0.782972</td>
<td>0.494973</td>
<td>0.471977</td>
</tr>
</tbody>
</table>

Table 3 shows the results of reliability analysis for the instrument. The composite reliability and Cronbach’s Alpha had values greater than 0.8, indicating that the instrument used in this study had high internal consistency (Henseler et al., 2009; Nunally & Bernstein, 1994).

<table>
<thead>
<tr>
<th>Construct/Item</th>
<th>Career Planning</th>
<th>Career Management</th>
<th>Job Satisfaction</th>
<th>Career Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC1</td>
<td>0.213979</td>
<td>0.486172</td>
<td>0.501290</td>
<td>0.870346</td>
</tr>
<tr>
<td>CC2</td>
<td>0.169410</td>
<td>0.466661</td>
<td>0.539675</td>
<td>0.813694</td>
</tr>
<tr>
<td>CC3</td>
<td>0.157777</td>
<td>0.486039</td>
<td>0.584282</td>
<td>0.876580</td>
</tr>
<tr>
<td>CC4</td>
<td>0.224976</td>
<td>0.620872</td>
<td>0.630166</td>
<td>0.932079</td>
</tr>
<tr>
<td>CC5</td>
<td>0.370069</td>
<td>0.560509</td>
<td>0.565227</td>
<td>0.832456</td>
</tr>
<tr>
<td>CC6</td>
<td>0.319182</td>
<td>0.584374</td>
<td>0.588162</td>
<td>0.798674</td>
</tr>
</tbody>
</table>
Table 4 presents the results of Pearson correlation analysis and descriptive statistics. The mean values for the variables are between 4.3 and 5.9, signifying that the levels of career planning, career management, job satisfaction and career commitment ranging from high (4) to highest (7). The correlation coefficients for the relationship between the independent variable and the dependent variable were less than 0.90, showing that the data were not affected by serious collinearity problem (Hair et al., 1998). All constructs had a value 1 as shown in a diagonal, indicating that the constructs met the acceptable criterion of reliability analysis. Further, these statistical results confirm that the constructs used in this study met the acceptable standards of validity and reliability analyses as illustrated in Table 3.

Table 4: Pearson Correlation Analysis and Descriptive Statistics

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Pearson Correlation Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Career Planning</td>
<td>5.9</td>
<td>0.74</td>
<td>1</td>
</tr>
<tr>
<td>Career Management</td>
<td>5.2</td>
<td>1.1</td>
<td>.37</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>5.1</td>
<td>1.2</td>
<td>.28</td>
</tr>
<tr>
<td>Career Commitment</td>
<td>4.3</td>
<td>1.1</td>
<td>.28</td>
</tr>
</tbody>
</table>

Note: Significant at *p<0.05; **p<0.01; ***p<0.000

Reliability Estimation is Shown in a Diagonal

Figure 1 presents the results of SmartPLS path model analysis. In terms of explanatory model, the inclusion of career planning and career management in the model analysis had explained 53 percent of the variance in job satisfaction. Specifically, the outcomes of testing research hypothesis showed two important findings: first, career planning positively and significantly correlated with job satisfaction ($\beta=0.04; t=0.67$), therefore H1 was not supported. Second, career management positively and significantly correlated with job satisfaction ($\beta=0.71; t=10.18$), therefore H2 was supported.

![Figure 1: Outcomes of SmartPLS Path Model Analysis](chart)

Note: Significant at $t > 1.96$

In order to determine a global fit PLS path modeling, we carried out a global fit measure (GoF) based on Wetzel’s et al.’s (2009) guideline as follows: GoF=$\sqrt{\text{MEAN (Communality of Endogenous)} \times \text{MEAN (R²)}}=0.40$, indicating that it exceeds the cut-off value of 0.36 for large effect sizes of $R^2$. It also provides adequate support to validate the PLS model globally (Wetzel et al., 2009).

Figure 2 presents the results of SmartPLS path model analysis. In terms of explanatory model, the inclusion of career planning and career management in the model analysis had explained 41 percent of the variance in organizational commitment. Specifically, the outcomes of testing research hypothesis showed two important findings: first, career planning positively and insignificantly correlated with organizational commitment ($\beta=0.07; t=0.73$), therefore H3 was not supported. Second, career management positively and significantly correlated with organizational commitment ($\beta=0.61; t=9.07$), therefore H4 was supported.

![Figure 2](chart)

Note: Significant at $t > 1.96$
This study confirms that career planning does not act as an important predictor of job satisfaction and career commitment. While, career management does act as an important predictor of job satisfaction and career commitment in the organizational sample. In the context of this study, the majority respondents perceive that the levels of career planning, career management, job satisfaction and career commitment are high. This situation posits that managers have put a greater effort to plan and manage the progression of employee career paths, but it may not be able to enhance employees’ job satisfaction and career commitment. Conversely, many efforts made by managers to appropriately manage the progression of employee career paths have enhanced employees’ job satisfaction and career commitment in the organization.

This study provides three important implications: theoretical contribution, robustness of research methodology, and practical contribution. In terms of theoretical contribution, the results of this research reveal two important findings: firstly, career management has been an important predictor of job satisfaction and career commitment in the studied organization. This finding also has supported and broadened organizational career program studies by Ferreira et al., 2007; Hirsch (2009), Theodossiou and Zangelisa (2009), and Wilkens and Nermerich (2011). Secondly, career planning has not been an important predictor of job satisfaction and career commitment in the studied organization. A thorough review of the unstructured interview results shows that this finding may be affected by external factors that is majority respondents feel that they have not received clear information about career planning and career planning designs have often changed when new leaders are appointed to hold senior management positions in the organization. This situation may decrease the effect of career planning on employee outcomes in the organization.

With respect to the robustness of research methodology, the survey questionnaires used in this study have met the acceptable criteria of validity and reliability analyses. This may lead to the production of accurate and reliable research findings. Further, regarding on practical contributions, the findings of this study may be used as guidelines by management to improve the administration of career programs in organizations. Some positive efforts that can be implemented are: first, career training content and methods should be updated in order to upgrade the awareness of employees in planning and managing their future careers. Second, communication openness should be implemented in order to increase employees’ understanding about the advantages and consequences of engaging in the workplace career program. Third, participative decision making should be encouraged in order to get employees’ bright ideas and this may help management to design and administer career programs that suit with the various job categories. Finally, the level of pay based on performance should be increased in order to attract, retain and motivate high performers continuously support their organizational strategic missions. If these suggestions are given more attention this may motivate employees to support and accept the workplace career goals and strategy.

Note: Significant at \( t > 1.96 \)

Figure 2: Outcomes of SmartPLS Path Model Analysis

In order to determine a global fit PLS path modeling, we carried out a global fit measure (GoF) based on Wetzel et al.’s (2009) guideline as follows: \( \text{GoF} = \sqrt{\text{MEAN (Communality of Endogenous)} \times \text{MEAN (R²)}} = 0.55 \), indicating that it exceeds the cut-off value of 0.36 for large effect sizes of R². It also provides adequate support to validate the PLS model globally (Wetzel et al., 2009).

### 5. DISCUSSION

This study confirms that career planning does not act as an important predictor of job satisfaction and career commitment. While, career management does act as an important predictor of job satisfaction and career commitment in the organizational sample. In the context of this study, the majority respondents perceive that the levels of career planning, career management, job satisfaction and career commitment are high. This situation posits that managers have put a greater effort to plan and manage the progression of employee career paths, but it may not be able to enhance employees’ job satisfaction and career commitment. Conversely, many efforts made by managers to appropriately manage the progression of employee career paths have enhanced employees’ job satisfaction and career commitment in the organization.

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6. CONCLUSION

This study suggested a conceptual framework based on the organizational career program literature. The instrument used in this study met the acceptable standards of validity and reliability analyses. The results of SmartPLS path model analysis showed that career management significantly correlated with job satisfaction and career commitment. This result also has supported and broadened previous studies mostly published in Western countries. Conversely, career planning insignificantly correlated with job satisfaction and career commitment. A thorough review of the unstructured interview results shows that this finding may be affected by two factors that is majority respondents feel that they have not received clear information about career planning and career planning designs have often changed when new leaders are appointed to hold senior management positions in the organization. This situation may decrease the effect of career planning on employee outcomes in the organization. Therefore, present research and practice in the human resource development models need to consider career planning and career management as key dimensions of the career program domain. Further, this research proposes that the willingness of management to appropriately plan and manage career programs based on employee needs and expectations will strongly induce subsequent positive employee outcomes (e.g., commitment, engagement, performance, justice and ethics). Thus, these positive outcomes may lead to maintained and increased organizational competitiveness in an era of knowledge based economy.

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References


