Retaining Diligent Employees through Career Development: with reference to IT Industry

Dr. Kshama Ganjiwale*

Dr. Vishnu N. Mishra**

***Associate Professor, SVIM,Indore**

****Associate Professor**

Abstract

Today's employees are more careers conscious than ever. They are demanding more in terms of personal growth and development. Organizations that fail to allow employees to meet their individual needs will be losing valued employees. This paper will examine the role and importance of Career Development Programs in developing and retaining diligent employees. A Career Development Program seeks to match to needs of the employee with those of the organization with the major components being counseling and training. Counseling provides employees with the opportunity to define career goals and to create plans within the context of organizational realities. Training allows the employee to develop and acquire knowledge, skills and abilities required to enhance his/her current job and prepares them for future job opportunities. As we approach the 21st Century, it is essential that organizations place a high value on career development. This will allow employees to fulfill their career needs, and organizations will benefit by retaining a greater number of their competent and qualified employees.

Keywords-Career Development, Counseling, Retaining and Growth

Introduction:

Career is defined by the Oxford English Dictionary as a person's "course or progress through life (or a distinct portion of life)". In this definition career is understood to relate to a range of aspects of an individual's life, learning and work.

Many organizations are faced with the problem of retaining employees. It is expensive to replace employees who leave for greener pastures or are lured away by other organizations. New employees have to be recruited, selected, oriented and trained. In fact, it is estimated that it costs an organization approximately 1½ times the salary of the vacated position to replace an

employee. Employee turnover can have a demoralizing effect on an organization, and it may also severely impact the overall efficiency of the organization. This becomes even more critical in organizations which are service-oriented, i.e. law enforcement, firefighters, etc., and require highly developed skills and competencies. Unfortunately, there is no single answer that best addresses the issue of employee retention. However, a number of organizations have responded to this issue by implementing Career Development Programs in the workplace. These programs teach employees how to work toward their own goals while continuing to do productive work for the organization. Organizations with such programs claim they retain a greater number of employees. Clearly, career development has evolved from an isolated tool for individual growth to a key strategic asset for many far-sighted organizations. Once left exclusively to the individual employee's own initiative, organizations have taken a more active role in their employees' careers through Career Development Programs. Traditionally, it has been assumed that every employee wants, or should want, the same thing in a career, usually a direct path up the organizational ladder (Fink, 1992). However, career development is not about "getting ahead", but rather about getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization.

Career development encompasses "vertical" issues such as promotions and upward mobility, but also "horizontal" movement (lateral job transfers) within the organization. Career development deals with the fundamental nature of the relationship of individuals to their work and employees to their organizations. A clearly defined plan of action prepares employees for the future and preserves an organization's ability to meet both existing and future needs. Rarely is enough attention given to alternative paths that reflect more personal aspirations, especially when those desires do not fit the familiar pattern of traditional organizational life. Today's employees are demanding more from their work in terms of fulfillment and personal satisfaction. They use words such as "empowerment" and "self-development" in expressing demands. This tells us much about the changing face of the workplace as we prepare to enter the 21st century. In today's competitive environment, it is imperative that all organizations create a work environment which fosters growth and development. It is apparent this can be accomplished by implementing a Career Development Program in the workplace. This will enhance organizational loyalty among

employees, result in higher levels of job satisfaction, lower employee turnover, and fewer employee complaints (Werther & Davis, 1992).

An extensive literature review was conducted into the historical and theoretical basis of Career Development Programs. The historical perspective included a review of both the private and public sector. Several existing Career Development Programs in large organizations were examined. The theoretical basis explored a number of motivational and organizational theories, as well as, other driving forces for Career Development Programs, including workforce changes, nature of employee motivation, managerial styles and technology.

In the changing phase of the market, all organizations have a number of opportunities to grab and number of challenges to meet. The success or failure of an organization is largely dependent on the caliber of the people working therein. Without positive and creative contributions from people, organizations cannot progress and prosper. Career Development which enables the employees to get acquainted with jobs and also increase their skills, knowledge and attitude required to perform the job most efficiently and effectively. The purpose of the study is to identify the factors associated with the effectiveness of Career Development Program in IT organizations, and also to understand the impact of career development in the organizations. Factor Analysis and Anova will be used for analysis.

Career development which enables the employees to get acquainted with jobs and also increase their skills, knowledge and attitude required to perform the job most efficiently and effectively. Training proves to be a parameter for enhancing the ability of the workforce for achieving the organizational objectives. Good career development thus results in conquering of the essential goals for the business.

Development:

Development refers to those learning opportunities designed to help employee grow. Development is not primarily skills-oriented. Instead, it provides general knowledge and attitudes which will be helpful to employees in higher positions. Efforts towards development often depend on personal drive and ambition.

Development generally seen as an activity associated with managers; In contrast, training has a more immediate concern and has been associated with improving the knowledge and skill of non-managerial employees in the present job. Career development may be regarded interactive, each complementing the other.

Development activities, such as those supplied by management development programs are generally voluntary. These includes reviewing organizational objectives, evaluating the organization's current management resources, determining individual needs, designing and implementing development programs and evaluating the effectiveness of these programs and measuring the impact of training on participants quality of work life.

Career Development Objectives:

The principle objective of career development division is to make sure the availability of a skilled and willing workforce to an organization. In addition to that, there are four other objectives:

Individual Objectives – help employees in achieving their personal goals, which in turn, enhances the individual contribution to an organization.

Organizational Objectives – assist the organization with its primary objective by bringing individual effectiveness.

Functional Objectives – maintain the department's contribution at a level suitable to the organization's needs.

Societal Objectives – ensure that an organization is ethically and socially responsible to the needs and challenges of the society.

Career Development helps employees to adjust rapidly changing job requirements. Reasons for emphasizing the growth and development of personnel include

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organization.

- Enhancing the company's ability to adopt and use advances in technology because of a sufficiently knowledgeable staff.

- Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.

- Ensuring adequate human resources for expansion into new programs.

Developmental activities have to be done systematically and organically. Career planning needs could be understood through collection of feedback from the employees.

Benefits of Career Development:

The first thing to remember is that effective employee development is based on a progression of benefits. These start with improvements in an individual's performance, which then transfer to his or her localized workplace, which then ultimately result in a positive impact on the whole organisation. The size or scale of that impact is not necessarily important. So long as it is positive and significant.

Career Development Programs have evolved because of changes in the workforce (work-life balance, diversity, and focus on quality), advances in management theory (employee motivation), changes in managerial styles and the increasing complexity of technology. It is these contemporary trends which have fostered the growth of Career Development Programs.

The benefits of Career Development are:

- New skills and knowledge can be acquired.

- Existing skills and knowledge can be enhanced or updated, enabling people to further improve proven strengths.

- Weaknesses can be addressed or mechanisms put in place to compensate.

- Improvements in confidence, capability and competence.

- Employees feel supported and enabled in their work.

- Learning is progressed to practice in the workplace.

- Learning is used to improve performance at work.

- Learning is shared, enhancing team performance.

- Wider impact in the organisation through performance improvements and the dissemination of information, ideas and networking.

Components of a Career Development Program:

The desired outcome of a Career Development Program is to match the needs of the employee with those of the organization. Employees must have the opportunity to identify career needs and the organization should assist them in achieving these needs within organizational realities. A Career Development Program does not require elaborate procedures. The essential components are counseling and training. Career counseling provides an avenue for the employee to assess their career needs. The training component assists employees in growth and development by enhancing their knowledge, skills and abilities in their present job assignments or prepares them for future opportunities. Proficient in-service training and career specialty training can accomplish this. Each of these components is vital to the success of the career development initiative.

Review of Literature:

Career Development and Retention is more common issues of concerned particularly in every house, organizations, industries, etc. It is directly connected to the individuals who always wanted to be on the upward side from their beginning point, whether it is education or work. We can find closer definition of career by Arthur, Hall and Lawrence (1989) that evolve the sequence of persons work experience over a period of time. Each individual has certain things in mind some time planned but majority of them are unplanned. Many writers, thinkers and philosophers have put in their ideas and thoughts about career and written several books for guiding individuals and organizations about career development. There are several of them who have also highlighted about retention of such developed talent in their respective area.

Employees career advancement is a phenomenon which is formalized, organized and it is planned effort to accomplish the balance between requirement of organization workforce and individual career needs. The rapidly rising awareness makes it evidence that employees can give

leading edge to the organization in market place. It is challenge for today HR Managers to identify the organization developmental strategies which enthuses the employee commitment to the organization vision and values to motivate the employees and help the organization to gain and sustain the competitive advantage (Graddick, 1988).

Greller (2006) states that people always work for a reason and the cause should be provided by work, organization, *co*-workers or from within. Findings show that when employees want to advance in their careers, a motivational factor, it does not matter how old one is, a lot of stay in the organization as a way to advance.

Hirsh (2006) noted that career development helps employees understand how to identify and access work roles which suit them well and opportunities for improving their skills and developing their potential. Research Employees who are satisfied in their decision of work and feel the Institute is developing them, are better motivated, more concentrated and more able and willing to take on more challenging research work. Even if not aiming for career progression in conventional terms, career development helps employees to respond more positively to change within their job or in the organization structure. Receiving this kind of career support also encourages employees to develop the skills and understanding to manage their own choices about work and learning more effectively in future. (Decenzo, David A. & Robbinns, Stephen A) mentioned that individuals should not be emotion in their first job.

Organization desire to strengthen their bond with employees must spend on the development of employees (Hall & Moss, 1998; Woodruffe, 1999; Steel et al., 2002; Hsu, Jiang, Klein & Tang, 2003). It creates promotion opportunities within organization and provides training opportunities and skill development to improve their employee's employability on the external and / or external labour market (Butler & Waldrop, 2001).

Career development is vital for both the employees and employers (Hall, 2002). Career development is mutual beneficial process because it gives imperative outcomes to employer and employees, (Hall, 1996). Gilley, Eggland, and Gilley (2002) suggest a collaborative effort, stating, "Career development is a process requiring individuals and organizations to create a partnership that enhances employees' knowledge, skills, competencies, and attitudes required for their current and future job assignments". To gain and maintain competitive advantage

organizations required talented & productive employees and these employees need career development to enhance and cultivate their competencies (Prince, 2003).

Employee retention refers to policies and practices companies use to prevent valuable employees from leaving their job. It involves taking measures to encourage employees to remain in the organization for the maximum period of time. Hiring knowledgeable people or the job is essential for an employer. But retention is even more important than hiring. Retention is a critical element of an organization's more general approach to talent management, which is defined as "the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining, and utilizing people with the required skills and aptitude to meet current and future business needs" (Lockwood, 2006).

If employees feel they aren't learning and growing, they feel they are not remaining competitive with their industry peers for promotion opportunities and career advancement. Once top employees feel they are no longer growing, they begin to look externally for new job opportunities. Several studies have investigated the relationship between job satisfaction and turnover and found a clear negative relationship (e.g., Cotton and Tuttle 1986; Muchinsky and Morrow 1980; Tett and Meyer 1993; Trevor 2001), meaning that when employees do not feel satisfied in their job, the turnover is high and they are likely to leave the company.

Objectives:

1. To find out the factors associated with the career development program in IT organizations.

2. To study the impact of career development in the IT organizations.

Research Methodology:

The study was conducted using descriptive type of methodology. The study depends on primary and secondary data.

Primary data was collected through Survey Method using Questionnaire with a Sample size of 100 out of which 91 respondents filled the questionnaire. The questionnaire used for the sample survey is a structured and non disguised questionnaire and consisted of two major sections. The

first section intended to collect the various demographic factors; the second section intended to collect the various opinions containing questions about the various factors affecting the employee's perceptions towards training. A five point Likert scale was used to capture the responses ranging from strongly agree to strongly disagree.

The **Secondary data** was collected from Journals, Magazines, Publications, Reports, Books, Articles, Research Papers, and Websites.

Tools used for analysis: Repeated Measure ANOVA, and Factor Analysis.

Analysis and Interpretation of Data:

I.   Factor Analysis:

The first objective of the study was "To find out the factors associated with the career development program in IT organizations". The data related to this objective were collected with the help of perception towards Career development. The data were analyzed with the help of Factor Analysis. The **3 major factors** associated with the effectiveness of the career development program in IT organizations are shown in detail in the Table No. 1

Table No. 1 Factors, Eigen values, Percent of Variances and Cumulative Percent

Factor	Eigen Values	% of Variance	Cumulative %
Career Commitment	12.822	64.123	64.123
Career Methodology	1.256	7.712	71.835
Career Planning	1.066	6.612	78.447

19 Variables are composed of 3 Factors. The Table also exhibits the Eigen values, percent of variance and cumulative percentage extracted factors. On the basis of Varimax Rotated Factor Matrix the interpretations of extracted factors are given:

Factor 1: Career Commitment

Factor 1 namely **Career Commitment** is significantly loaded by nine variables and having variance of 12.822, comprised of variables like Post Training Results having highest loading i.e. 0.867, Skills and Knowledge Development having least loading i.e. 0.551, while the other variables are; Efficient Working, Job Satisfaction, Post Training Feedback, Promotion & Recognition, Easy Application, Importance for Organization, Suitable Content.

The detailed description is given in the Table No. 2:

Table No. 2   Variables and Loadings of Factor 1 Career Commitment

FACTOR: 1 Career Commitment	
VARIABLES	**LOADINGS**
Post Training Results	.867
Efficient Working	.715
Job Satisfaction	.695

Post Training Feedback	.685
Promotion & Recognition	.678
Easy Application	.648
Importance for Organization	.646
Potential appraisal	.622
Skills & Knowledge Development	.551

Factor 2: Career Methodology

Factor 2 namely **'Career Methodology'** is significantly loaded by eight variables and having variance of 1.256, comprised of variables like Review of Program having the highest loading i.e. 0.841, Reinforcement having the least loading i.e. 0.479. While the other variables are Training Environment, Planned Program, Appropriate Methodology, Time Margin, Improvised Techniques, Comprehensive Content, reinforcement.

The detailed description is given in the Table No. 3:

Table No. 3 Variables and Loadings of Factor 2 Career Methodology

FACTOR:2

CAREER METHODOLOGY	
VARIABLES	**LOADINGS**
Review of Program	.841
Environment	.766
Planned Program	.757
Appropriate Methodology	.679
Time Margin	.677
Improvised Techniques	.658
Comprehensive Content	.580
Reinforcement	.479

Factor 3: Career Planning

Factor 3 namely **'Career Planning'** is significantly loaded by 2 variables and having variance of 1.066, comprised of variables like Counseling and overseas Projects.

The detailed description is given in the Table No. 4:

Table No. 4

Variables and Loadings of Factor 3 Career Planning

FACTOR:3 CAREER PLANNING	
VARIABLES	**LOADINGS**
Counseling	.872
Overseas Projects	.639

II.   ANOVA:

The second objective of the study was "To study the impact of career development program in the IT organizations. The data collected for this purpose is analyzed through ANOVA.

Factor 1: Career commitments

Summary of ANOVA for the effect of Career commitments on the perception towards the Demographic Factors separately.

Table No. 5   ANOVA with Career commitments

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	2.436	21	.116	2.227	.008
	Within Groups	3.125	70	.052		
	Total	5.561	91			
Educational Qualification	Between Groups	2.387	21	.114	1.213	.003
	Within Groups	5.625	70	.094		
	Total	8.012	91			
No. of years of Experience	Between Groups	16.409	21	.791	1.611	.004
	Within Groups	29.104	70	.485		
	Total	45.512	91			

Age: It can be observed from the Table No. 5 that the F value 2.227 is significant at 0.05 with df 91. It indicates that there is a significant difference amongst Age Group Below30 and Above 30 in terms of Career commitments factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of age on perception towards Career commitments factor of Career development, is rejected.

Educational Qualification: It can be observed from the Table No. 5 that the F value 1.213 is not significant at 0.05 with df 91. It indicates that there is no significant difference amongst Educational Qualification Undergraduate, Graduate and Postgraduate in terms of Career commitments factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of educational qualification on perception towards Career commitments factor of Career development, is rejected.

No. of years of Experience: It can be observed from the Table No. 5 that the F value 1.611 is not significant at 0.05 with df 91. It indicates that there is no significant difference amongst No. of years of Experience Less than 1 year, 1-3 years, 3-5 years and More than 5 years in terms of

Career commitments factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of No. of years of Experience on perception towards Career commitments factor of Career development, is rejected.

Factor 2: Career Methodology

Summary of ANOVA for the effect of Career Methodology on the perception towards the Demographic Factors separately.

Table No. 6   ANOVA with Career Methodology

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	3.235	18	.180	4.869	.000
	Within Groups	2.326	73	.037		
	Total	5.561	91			
Educational Qualification	Between Groups	3.626	18	.201	2.893	.001
	Within Groups	4.386	73	.070		
	Total	8.012	91			
No. of years of Experience	Between Groups	26.868	18	1.493	5.044	.000
	Within Groups	18.644	73	.296		
	Total	45.512	91			

Age: It can be observed from the Table No. 6 that the F value 4.869 is significant at 0.05 with df 91. It indicates that there is a significant difference amongst Age Group Below30 and Above 30 in terms of Training Methodology factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of age on perception towards Training Methodology factor of Career development, is rejected.

Educational Qualification: It can be observed from the Table No. 6 that the F value 2.893 is significant at 0.05 with df 91. It indicates that there is significant difference amongst Educational

Qualification Undergraduate, Graduate and Postgraduate in terms of Training Methodology factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of educational qualification on perception towards Training Methodology factor of Career development, is rejected.

No. of years of Experience: It can be observed from the Table No. 6 that the F value 5.044 is significant at 0.05 with df 91. It indicates that there is significant difference amongst No. of years of Experience Less than 1 year, 1-3 years, 3-5 years and More than 5 years in terms of Training Methodology factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of No. of years of Experience on perception towards Training Methodology factor of Career development, is rejected.

Factor 3: Career Planning

Summary of ANOVA for the effect of Career planning on the perception towards the Demographic Factors separately.

Table No. 7 ANOVA with Career Planning

		Sum of Squares	df	Mean Square	F	Sig.
Age	Between Groups	.547	6	.091	1.364	.240
	Within Groups	5.014	85	.067		
	Total	5.561	91			
Educational Qualification	Between Groups	.567	6	.095	.952	.464
	Within Groups	7.445	85	.099		
	Total	8.012	91			
No. of years of Experience	Between Groups	4.446	6	.741	1.353	.245
	Within Groups	41.066	85	.548		
	Total	45.512	91			

Age: It can be observed from the Table No. 7 that the F value 1.364 is significant at 0.05 with df 91. It indicates that there is a significant difference amongst Age Group Below30 and Above 30 in terms of Career Planning factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of age on perception towards Career Planning factor of Career development, is rejected.

Educational Qualification: It can be observed from the Table No. 7 that the F value 0.952 is significant at 0.05 with df 91. It indicates that there is significant difference amongst Educational Qualification Undergraduate, Graduate and Postgraduate in terms of Career Planning factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of educational qualification on perception towards Career Planning factor of Career development, is rejected.

No. of years of Experience: It can be observed from the Table No. 7 that the F value 1.353 is significant at 0.05 with df 91. It indicates that there is significant difference amongst No. of years of Experience Less than 1 year, 1-3 years, 3-5 years and More than 5 years in terms of Career Planning factor of Career development Effectiveness. The Null Hypothesis namely, There is no significant impact of No. of years of Experience on perception towards Career Planning factor of Career development, is rejected.

Findings and Discussion:

The purpose of this study is to analyze the Impact of Career development program within the Information Technology Industry. Moreover, the study is also focused on finding out the Factors associated with the career development in IT industry. The sample of the study is based on three IT companies operating in India i.e Impetus, Accenture and IBM.

This study suggests that there are three major Factors namely, Career commitments, Career Methodology and Career Planning that are associated with the Career development in IT organizations. And accordingly the results of ANOVA shows that Career Commitments ,Career Methodology and Career Planning factors have a significant impact on the effectiveness of Career development Program in IT organizations Age, Educational Qualification and Experience has a significant impact on the career development in IT organizations. Conclude that age Educational Qualification and Experience is directly associated with all factors of career

development. Career Development directly effect on retention .Employee need career planning at each and every level so that commitment of employee directly proportional to retention.

Conclusion:

The success of a Career Development Program for the Diligent Employee of IT Industry can be measured through employee satisfaction, development of promotable employees and lower turnover. In order to properly assess "why" employees leave, it is necessary that our department conduct timely exit interviews. This would enable the department to further evaluate the success of our Career Development Program. A proposed policy and procedure for a Career Development Program has been drafted, along with a form to be used by supervisors/managers in a career counseling session. Companies used methods such as career counseling, workshops, workbooks, along with techniques such as self-assessment testing and job rotations to enhance their employee's opportunity for growth and development. This resulted in lower employee turnover, fewer employee complaints and higher levels of job satisfaction. Attracting and retaining employees is a major concern. Need for Retention in IT Organization: The organization reputation depends on the quality of talented personnel. The IT Organization apply various strategies for providing better working conditions, providing other facilities like housing, medical, welfare, updated library, electronic equipments, etc. to retain the employees in IT Organization

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