

Effect of Career Management to the Organizational Performance in Companies Listed in Nairobi Security Exchange in Kenya

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Abstract: *The study sought to determine the effects of career management as a component of talent management on organizational performance in companies listed in the Nairobi Security Exchange (NSE) in Kenya. Descriptive, qualitative and quantitative study designs were used and stratified simple random sampling technique was employed to enable select the respondents from the ten strata of NSE listed companies. The target population was 534 top managers of NSE listed companies. A sample size of 224 respondents was picked from the ten stratum of the NSE listed companies. Questionnaires were the main instruments of data collection and the NSE handbook (2013) was the main source of the secondary data. Research findings indicated career management as a component of talent management had a positive and significant influence on the organizational performance.*

Keywords: Effect, career management, Organization Performance, Listed, Nairobi Security Exchange

1. Introduction

Career management is defined as the process by which individuals collect information about values, interests, skill strengths and weaknesses, identify a career goal, and engage in career strategies that increase the probability that career goals to be achieved (1). From the company's perspective, the failure to motivate employees to plan their careers can result in a shortage of employees to fill open positions, lower employee commitment and inappropriate use of monies allocated for training and development programs (2). Hence lower organizational performance.

2. Literature Review

Career development is perceived like joint effort between the individual employee and the organization. Career development describes the lifelong process of managing life, learning and work. It involves individuals planning and making decisions about education, training and career choices as well as developing the right skills and knowledge to do this (3).

(4) Sought to investigate the relationship between talent management and succession planning processes. The study, which was carried out using descriptive and inferential statistics revealed that talent management and succession planning within government organizations met the requirements and therefore impacted on talent absorption, talent retention and talent development which gave the organizations a competitive edge. This study provided

useful insights as to the relationship between career development and talent management. Though the study did not discuss that aspect in depth, it was evident that the existence of one depends on the other. That study therefore acted as a good base for further exploration of the relationship between career development and organization performance in the companies listed in the NSE. Companies with formal succession plan for the top managerial post enjoy a higher return of investment than those that do not have (5).

There are several elements of career management including career development and planning which focuses on planning of employee growth and progression; Career planning seeks to provide guidance and encourage employees to fulfil their potentials and ensure better use of human resources through more satisfied and productive employees. Career planning facilitates expansion and growth of the enterprise. The employees required to fill job vacancies in future can be identified and developed in time. A planned programme of career progress provides a higher level talent from within the organization. It also helps in the optimum utilization of the managerial resources. By meeting their growth aspiration, it ensures satisfactory employees performance. If the organization is to survive and prosper in an ever changing environment, and its human resources must be continuously developed. In fact, career planning has now become an essential prerequisite of effective human resource management, productivity improvement and organizational growth (2).

Career pathing involves creating established career paths and families of jobs within a given area and allowing employees have a vision of progression as well as goals and expectations; employee development consisting of programs and initiatives; learning and development initiatives; management coaching; competitive reward systems; career centres; succession planning; performance management/feedback an effective appraisal system can provide an objective assessment of current performance and future potentials of employees performance feedback helps employees in understanding and developing their potentials ; and cross-functional development programs (6). Career management consists of both formal and informal activities including employee workshops, career mentors, job rotation, job enrichment and career progression ladders, for example organizationally planned programs or developmental stage theories. Organizations may also contribute to career identity by providing abundant opportunities for self-development and opportunities for advancement (7).

When selecting an employee, organizations may use internal job postings extensively, maintain a job-matching database, encourage job rotations and internal management succession and transfer people across departments laterally to increase their value for themselves and for the firm to improve organization performance. They may also opt for initiatives like job sharing and only use layoffs as a last resort during conditions of economic uncertainty, as well as give preference to former employees for staffing new positions after a period of downsizing (8). (7) Observations on career management are similar to those of (9) who observed that organizational career management enhances employee commitment and hence organization performance. Career management help can be seen as one form of perceived organizational support. Perceived organizational support has been positively related to job performance and negatively linked to withdrawal behaviours such as absenteeism and turnover (10).

(11) In the study about the relationship between organizational career management and performance, results of the study indicated that there was significant and positive relationship between organization career management and the individual performance. Questionnaires were the main data collection instrument and the sample comprised insurance sales people.

(12) Found that people who experience more organizational support have a higher employability orientation. (13) Studied the relationship between organizational career management and perceived career support. They defined perceived career support as the employee's belief that the organization cares about his or her career needs and goals. They found that promotional opportunities and informal organizational career management activities, namely informal career discussions with a manager,

participation in challenging job assignments and mentoring relationship(s) with senior colleagues, are positively related to perceived career support. Organizational career management practices includes ;performance appraisal as a basis of career planning ,career centres, career counselling by the human resource department ,formal mentoring ,career workshops, retirement preparation programmes ,succession planning, formal education as a part of career development and lateral moves to create cross functional experience (14)

3. Results

3.1 Descriptive Results

Table 4. 1: Career Management

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
My company offers career counselling	6.80 %	4.90 %	6.20 %	45.10 %	37.00 %
We have established career centres where employees can access useful materials and advice on career growth and development	0.60 %	4.30 %	5.60 %	43.80 %	45.70 %
This company believes career planning facilitates expansion and growth of this company	9.90 %	11.1 %	4.30 %	35.80 %	38.90 %
My company plans on employee growth	4.30 %	9.90 %	0.00 %	70.40 %	15.40 %
My company strives to establish career	4.30 %	4.30 %	8.60 %	39.50 %	43.20 %
In my company, we develop programs and initiatives that enhance employee development	4.30 %	6.80 %	9.30 %	53.70 %	25.90 %
We have established succession planning in my company	4.30 %	9.90 %	0.00 %	70.40 %	15.40 %
My company has provision of career mentors	4.30 %	4.30 %	8.60 %	39.50 %	43.20 %
In my company we have retirement preparation programmes	4.30 %	6.80 %	9.30 %	53.70 %	25.90 %

4.1.1 Career Counseling

The study sought to establish if the NSE listed companies offered career counselling to its employees. Career counselling in a company was crucial of career management. Results in table 4.1 shows that majority 82% agreed that their company offered career counselling, 6% disagreed while 12% neither agreed nor disagreed with the statement. The findings concur with those in (14) who found out that organizational career management practices to include career counselling by the human resource department .The findings imply that NSE listed companies, offers career counselling to employees and this may have contributed positively to career management. The findings also imply that career counselling may have contributed positively to organization performance.

4.1.2 Career Centres

The study sought to establish if the NSE listed companies had established career centres where employees could access useful materials and advice on career growth and development. A career centres in a company was crucial of career management. Results in table 4.1 shows that majority 90% agreed that they

had established career centre where employees can access useful materials and advice on career growth and development, 6% disagreed while 5% neither agreed nor disagreed with the statement. The findings agree with those in (6) who noted that employee development included existence of career centres. Also the findings agree with (14) who found career management practices to include career centres. The findings imply that NSE listed companies have established career centres for their employees and this may have contributed positively to career management. The findings also imply that career centres may have contributed positively to organization performance.

4.1.3 Career Planning Facilitates Expansion and Growth

The study sought to establish if the NSE listed companies believed career planning facilitated expansion and growth of their company. Career planning was crucial of career management. Results in table 4.1 shows that 75% agreed that the company believed career planning facilitated expansion and growth of the company, 4% disagreed while 21% neither agreed nor disagreed with the statement.

The findings also agree with those in Gupta (2) who noted that there are several elements of career management including career development and planning which focuses on planning of employee growth and progression; Career planning facilitates expansion and growth of the enterprise (2). The findings imply that career planning in NSE listed companies have contributed positively to career management and eventually to the organization performance through facilitation of expansion and growth of the companies.

4.1.4 Planning Employee Growth and Progression

The study sought to establish if the NSE listed companies planned on employee growth and progression. Planning for employee growth and progression in a company was crucial of career management. Results in table 4.14 shows that 86% agreed that the company planned on employee growth and progression, while 14% neither agreed nor disagreed with the statement.

The findings agree with those in Gupta (2) who found out that there are several elements of career management including career development and planning which focused on planning of employee growth and progression. The findings imply that NSE listed companies planning for their employees' growth and progression may have contributed positively to career management. The findings also imply that employee growth and progression may have contributed positively to organization performance.

4.1.5 Career Paths and Families of Jobs

The study sought to establish if the NSE listed companies had established career paths and families of jobs in every department. Existence of career paths

and families of jobs in the NSE listed companies were crucial of career management. Results in table 4.1 shows that 83% agreed that their company strived to establish career paths and families of jobs in every department, 9% disagreed while 9% neither agreed nor disagreed with the statement.

The findings agree with those in (6) who noted that career pathing involves creating established career paths and families of jobs within a given area and allowing employees have a vision of progression as well as goals and expectations. The findings imply that listed companies' had established career paths and families of jobs in every department and this may have contributed positively to career management. The findings also imply that existence of career paths and families of jobs in every department in the NSE listed companies, may have contributed positively to the organization performance.

4.1.6 Programs and Initiatives to Enhance Employee development

The study sought to establish if the NSE listed companies had developed programs and initiatives that enhanced employee development. Employee development programs in the NSE listed company were crucial of career management. Results in table 4.1 shows that 80% agreed that in their company, they developed programs and initiatives that enhanced employee development, 9% disagreed while 11% neither agreed nor disagreed with the statement.

The findings agree with those in (3) who asserted that career development describes the lifelong process of managing life, learning and work. It involves individuals planning and making decisions about education, training and career choices as well as developing the right skills and knowledge to do this. The findings imply that NSE listed companies' have developed programs and initiatives that enhanced employee development. The findings also imply that NSE listed companies initiation of various employee development programs, may have contributed positively to the organization performance.

4.1.7 Succession Planning

The study sought to establish if the NSE listed companies had established succession planning in their companies. Establishment of succession planning in a company was crucial of career management. Results in table 4.1 shows that 86% of the respondents agreed that they had established succession planning in their company, while 14% neither agreed nor disagreed with the statement.

The findings agree with those in (4) who sought to investigate the relationship between talent management and succession planning processes. The study, which was carried out using descriptive and inferential statistics, revealed that talent management and succession planning within government organizations met the requirements and therefore impacted on talent development which gave the

organizations a competitive edge. The findings also concur with those (6) who asserted that employee development consisting of programs and initiatives such as succession planning. The findings imply that NSE listed companies' have established succession planning in the company and that has contributed positively to career management. The findings also imply that succession planning practice by the NSE listed companies may have contributed positively to organization performance.

4.1.8 Career Mentors

The study sought to establish if the NSE listed companies had provision of career mentors. Career mentors in a company were crucial of career management. Results in table 4.1 shows that 83% agreed that their company had provision of career mentors, 9% disagreed while 9% neither agreed nor disagreed with the statement. The findings concur with of (7) who asserted that career management consists of both formal and informal activities including career mentors. The findings imply that NSE listed companies have provision of career mentors and this may have contributed positively to career management. The findings also imply that provision of career mentors may have contributed positively to organization performance in the NSE listed companies.

4.1.9 Retirement Preparation Programmes

The study sought to establish if the NSE listed companies had retirement preparation programmes. Retirement preparation programmes in a company were crucial of career management. Results in table 4.24 shows that 80% agreed that in their company they had retirement preparation programmes, 9% disagreed while 11% neither agreed nor disagreed with the statement. The findings agree with those in (14) who found organizational career management practices to include retirement preparation programmes. The findings imply that NSE listed companies had retirement preparation programmes. The findings also imply that retirement preparation programmes may have contributed positively to organization performance.

Table 4. 2: Career Management Factor Analysis Component Matrix

Statement	Component
My company strives to establish career paths and families of jobs in every department	0.773
My company has provision of career mentors	0.773

In my company, we develop programs and initiatives that enhance employee development	0.675
In my company we have retirement preparation programmes	0.675
This company believes career planning facilities expansion and growth of this company	0.492
My company offers career counselling	0.461
We have established career centres where employees can access useful materials and advice on career growth and development	0.421
My company plans on employee growth and progression	0.391
We have established succession planning in my company	0.391

Table 4.2 shows the factor analysis results for statements regarding career management affecting organization performance and nine statements attracted a coefficient of more than 0.4 hence were retained for further analysis.

Table 4. 3: Career Management Cronbach alpha

Cronbach's Alpha	N of Items
0.74	9

Table 4.3 shows Cronbach alpha values for career management. From these findings it can be concluded that the construct measured had the adequate reliability for the subsequent stages of analysis since all the Cronbach Alpha values were greater than 0.7 (15).

4.2 Quantitative Results

Table 4. 4: Relationship between Career Management and Organizational Performance

Variable		Organizational Performance	Career Management
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Career Management	Pearson Correlation	0.495	1
	Sig. (2-tailed)	0.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.4 displays the results of correlation test analysis between the dependent variable (organization performance) and career management. Results on table 4.4 show that acceptance of organizational performance was moderately but positively correlated with career management. This reveals that any positive change in career management on organizational performance led to increased acceptance of organizational performance.

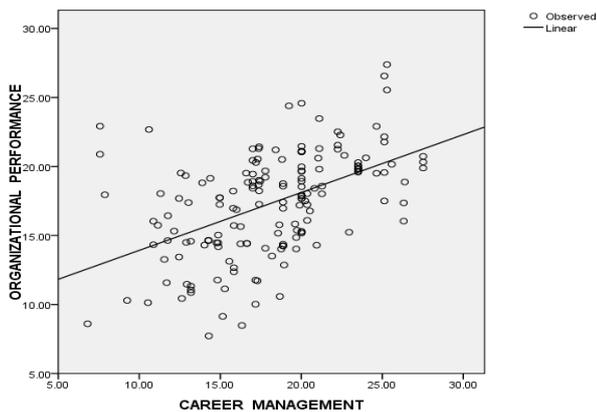


Figure 4.1: Regression line fitting of Career management

A graphical illustration of the relationship between career management and acceptance of organization performance was presented in figure 4.1. The figure implies that career management had a positive relationship with the organization performance. The study findings concur with results of (11) which found positive relationship between organizational career management and performance.

Table 4.5: Model Summary for Career Management

Indicator	Coefficient
R	0.495
R Square	0.245
Std. Error of the Estimate	3.27433

Regression analysis was conducted to empirically determine whether career management was a significant determinant of organization performance in the NSE listed companies. Regression results in table 4.5 indicate the goodness of fit for the regression between organization performance and career management was satisfactory. An R squared of 0.245 indicates that 24.5% of the variances in the acceptance of career management by the NSE listed companies are explained by the variances in the organization performance. The correlation coefficient of 49.5% indicates that the combined effect of the predictor variables have a moderate and positive correlation with acceptance of organization performance.

Table 4.6: ANOVA for Career Management

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	555.908	1	555.908	51.851	0.000
Residual	1715.399	160	10.721		
Total	2271.307	161			

The overall model significance was presented in table 4.6. An F statistic of 51.851 indicated that the overall model was significant. This was supported by a probability value of (0.000). The reported probability of (0.000) is less than the conventional probability of (0.05). The probability of (0.000) indicated that there was a very low probability that the statement “overall model was insignificant” was true and it was therefore possible to conclude that the statement was untrue.

Table 4.7: Regression Coefficient for Career Management

Variable	Beta	Std. Error	t	Sig.
Constant	9.731	1.085	8.972	0.000
Career Management	0.419	0.058	7.201	0.000

Table 4.7 displays the regression coefficients of the independent variable (career management). The results reveal that career management is statistically significant in explaining acceptance of organization performance of the NSE listed companies. These results are consistent with (11) findings which indicated that there was significant and positive relationship between organization career management and performance.

The regression results were used to test the null hypothesis “H0: There is no relationship between career management and organizational performance in companies listed in the NSE.” The null hypothesis was rejected at (0.05) level of significance. This implies that there is a relationship between career management and organizational performance in companies listed in the NSE.

4.3 Qualitative Results

The respondents were requested to indicate how else, career management affected organization performance. The respondents were reflected in the following quotations;

“performance appraisal can help facilitate career development of the employees’ hence better performance”, “Career management could be enhanced by giving employees challenging and interesting tasks “;” career management could be achieved through job transfers and rotation which is good for the company”, “ career management helps move people into roles where their skills are most suited and their aspirations are best met”.

“If NSE listed company take their employees for seminars and workshops this could lead to improved productivity”.

The findings imply that career management helps to improve employee skills hence improve the organization performance. The findings agree with those (6) who noted that performance management/feedback and an effective appraisal system can provide an objective assessment of current performance and future potentials of employees and that performance feedback helps employees in understanding and developing their potentials.

4. Conclusion

The study suggest that career management practices should be widely adopted by NSE listed firms as doing so would lead to improved performance. Therefore, firms wishing to maintain superior organization performance should put in place mechanisms to support career management like having career centres; career mentors, career

counselling facilities as well as succession planning. Content analysis results indicated that there could be other variables of career management that may have influence on organization performance in companies listed in NSE. Future studies should therefore include other components of career management as a component of talent management in their study.

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