

Effect of Strategic Career Development on Employees' Performance in Indian Corporate Sector

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Abstract

Purpose- The purpose of this study is to investigate the effect of strategic career development on employees' performance in Indian corporate sector.

Research methodology- Present study is based on descriptive cum exploratory research design. Convenient random sampling has been used to collect the data from various industries and functional areas. Total 500 employees from Indian corporate sector have been included in the present study. A self-structured questionnaire has been used to collect the primary data. Effect of strategic career development on employees' performance has been analysed with the help of structural equation modeling (SEM).

Findings- Based on the analysis this research paper indicates that there is a positive relationship between strategic career development and employees' performance. According to the findings the standardized regression weight of strategic career development is .798 at 5 percent level of significance. Therefore, it is concluded that strategic career development has a positive effect on employees' performance and have the potential to improve employees' overall performance.

Managerial implications- The research findings will influence the organizational policies concerning career development and employees' performance. Managers need to make sure that the strategic career development programs will be used to enhance employees' performance as per organization's objectives. Managers should provide training and development to fulfill the need of knowledgeable and skillful employees within the organizations.

Keywords- Strategic career development, employees' performance, organizational strategy, career development programs, career path.

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Introduction

A career is defined as range of jobs held by a person during his work life. Career development is a process where an employee acquires new set of skills and knowledge through training for his career growth. Organisations make continuous effort to develop and enrich their human resource considering the future requirement of skilful employees. Organisation provides certain programme that helps employees to plan for their career like training programmes, mentoring, creating opportunities and coaching. Career growth helps to promote skills, knowledge and increase their experience through learning (Goyal & Honey, 2022). Career development reduces the gap between employee's career and organisations' requirements. Career development is a process in which employees take new and high role in their workplace. Career development improves work quality, capability, punctuality which significantly influences employee performance (Hosen et al., 2024). Career development is a motivational tool that helps to enhance performance of an employee. Employees move from one to another organisation to seek higher status or responsibility for their career growth. In competitive environment, every organisation needs employees who are knowledgeable and skilful to make efforts towards gaining a competitive edge (Kakui, 2016).

Career development strategies include management of one's career to eliminate any barrier restraining the development of employees. Employees increase their career path by consistently improving their professional abilities. Career development programs increases operational efficiency by providing training to employees subsequently promoting career stability and professional ability. To fulfil the requirement of skilful and experienced employees, career development is a strategic effort made by organisations. In career development approach, employer has opportunity to support and provide guidance to employees for their career planning efforts. Career development is a collaborative effort done by employer and employee to fulfil the gap between present and expected future performance levels (Gwodoya & Otsyulah, 2023). Career development programmes are done by organisations regardless of market, size, profile and sector. Career development programmes work as a motivational tools for organisations to promote retention and productivity among employees. Career development also promotes employees' competencies for individual for job enrichment and enlargement. Career development programs are an effective and cost justified way to create future leader with relevant skills within the organisation. Career development programs give aspiration to employees to achieve career goals and make them to actively deliver quality services (Alex, 2021).

The conception of employee performance has more importance in organisational growth because success of an organisation is directly correlated to the effective behaviour of employees. The gap between organisation's expectation and employee's execution of work is named as employee performance. To reduce the gap between actual and expected performance of an employee can be fulfilled by training. Nowadays organisations invest high amount of efforts and time in training. A continuous participation of employees in training results in career growth and high job performance (Goyal & Honey, 2022). Due to high expectation in competitive environment, employees need to succeed by gaining existing knowledge and skills. Career development programs increase ability of employees to perform better. Due to importance of career development, continuous training has been established in different departments of an organisation to equip employees with knowledge and skills. Organisations put more efforts for the growth of employee's career (Jun & Ming, 2022).

Review of Literature

Career development is a continuous process where results are achieved by employee's career planning and employer's support and supply of opportunities. Career development is a collaborative effort done by both employee and employer. Growth in career is achieved by continual attainment of higher positions and career growth. Career development plays an important role in growth of organisation and employees because an employee having right skills and knowledge effect not only the employee's growth but also the organisation and country's economy. Career development is a continuous process in which employees pass through many stages of succession, each of stage have different set of difficulties and responsibilities (Sellar, 2022). Career path includes information related to job opportunities for the employees working in the same organisation. Organisations assist employees about making choices about career plans and personal objectives. Career development involves becoming aware of opportunities, choices, restrictions and specific career objectives. Career development is an ongoing procedure of analyzing, planning and applying career plans. Once employees have set their career goals, they require competencies, principles and abilities to execute their career goals with proper management. An achievement in career can boost motivation while failure in career can have negative impact on emotional well being of an employee (Saleem et al., 2013). According to Chu et al. (2007) career development has many stages and each of these stages require different set of skills, knowledge and abilities, after learning all these specific skills employees can move from one stage to another stage. When an employee learned changes of the environment, he would not be comfortable about lacking of skills, attitude and knowledge compulsory to move forward. Organisation can identify the career opportunities through job analysis. Manager should identify what

jobs are vacant in the organisation's hierarchy and which employee would be suitable for these vacant positions. Manager should discuss this with employees regarding jobs that are available in the department or organisation. Commonly, career paths begin with the junior position and finish with the senior position (Shaito, 2019). Organisation may significantly boost employee's performance and productivity by implementation of strategic career development. In turn, employees anticipate long term career paths within the organisation. Strategic career development is critical to the progress of organisations. The reviews explore that how relationship between career development and employees' performance influence organisational growth (Aziedjo, 2024).

The strategic involvement of the HR department has resulted in better career development opportunities. The position of the HR director, senior management's attitude toward HRM, and execution of HR policies are considered as essential elements in the success (Truss, 2003).

Employee performance is a major term in the subject of organizational studies, which is always evolving and changing. This study is famously difficult, and it is often divided into many but interrelated paradigms. This literature review attempts to combine key perspectives, theoretical frameworks, and research methodologies that form the foundation of the study of employee performance. Employee performance is typically understood to represent an individual's level of success in completing activities directly connected to their work (Campbell, 1990).

Research methodology

A methodological framework has been applied to explore the effect of strategic career development on employees' performance. This framework includes both quantitative and qualitative approaches. Hence this framework provides a broad perspective for data analysis.

Objective of the study

To investigate the effect of strategic career development on employees' performance in Indian corporate sector.

Hypothesis of the Study

H₁: there is significant effect of strategic career development on employees' performance.

Research Design

In the present study descriptive cum exploratory research design has been used.

Sampling Design and Sample Size

Convenient random sampling has been employed to collect the data from various industries and functional areas. Initially total 600 employees of Indian corporate sector were approached. Out of total, 540 respondents participated in the study. Finally, 500 responses were found fit for further analysis. So, 500 responses have been included in the present study.

Instruments for data collection

A self-administered Likert scale questionnaire has been used to collect the data for evaluating the effect of strategic career development on employees' performance in Indian corporate sector. The collected information was used for research purpose only. The questionnaire is divided into two sections:

Section A: This section includes twelve statements of strategic career development. For this part, "Five-Point Likert Scale" of strongly agree (coded as=5) to strongly disagree (coded as=1) has been used.

Section B: This section includes 30 statements of employees' performance on "Five-Point Likert Scale" of strongly agree (coded as=5) to strongly disagree (coded as=1).

Tabulation and codification of data

The coding of strategic career development are done as SCD1, SCD2, SCD3, SCD4, SCD5, SCD6, SCD7, SCD8, SCD9, SCD10, SCD11, SCD12 and the coding of employees' performance are done as EP1, EP2, EP3, EP4, EP5, EP6, EP7, EP8, EP9, EP10, EP11, EP12, EP13, EP14, EP15, EP16, EP17, EP18, EP19, EP20, EP21, EP22, EP23, EP24, EP25, EP26, EP27, EP28, EP29, EP30.

Data Analysis

Exploratory factor analysis (EFA) and structural equation modeling (SEM) have been used in present study for data analysis.

Table 1: Reliability Analysis of Strategic Career Development

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.891
Bartlett's Test of Sphericity	Approx. Chi-Square	4751.831
	Df	28
	Sig.	.000

Source: Primary Survey

Kaiser-Meyer-Olkin Measure and Bartlett's Sphericity Test were used to evaluate the appropriateness of the sample size, to check sampling adequacy and pattern relationship of data respectively. The outcomes of KMO and Bartlett's Tests, which were used to evaluate the appropriateness of the sample size, are shown in Table 1. The KMO value is .891, which is much higher than the minimum permissible value of .70. Chi-Square value is 4751.831 with the degrees of freedom 28. Bartlett's test is found to be significant at 5 per cent of significance level (Surucu et al., 2022). KMO and Bartlett's tests results indicate that the sample may be used for analysis without any difficulties.

Table 2: Exploratory Factor Analysis on Strategic Career Development

Factors	Item Code	Factor loading	Communalities	Eigen Value	Variance Explained	Cronbach Alpha
Strategic Career Development	SCD8	0.916	0.839	5.990	74.870	0.950
	SCD7	0.913	0.833			
	SCD2	0.902	0.814			
	SCD4	0.895	0.802			
	SCD5	0.870	0.758			
	SCD1	0.863	0.745			
	SCD3	0.831	0.690			
	SCD6	0.714	0.510			

Source: Primary Survey

Exploratory Factor Analysis was applied on Strategic Career Development. Out of 12 items, the four items namely, SCD9, SCD10, SCD11, SCD12 were not considered because of low factor loading. One factor was extracted from eight items i.e., strategic career development.

Strategic career development is a factor which includes eight variables i.e. *Employees are satisfied with career advancement opportunities, Opportunities are provided to the employees to show their expertise, Employees are satisfied with implementation of career planning policy, Employees have opportunities of being promoted on more than one position, Career path is decided by the organization*

on the basis of employee's skill set, My company adopts new strategies that helps me sharpen my skills, Employees are aware about their career path in the organization, Management supports career development plans. The factor loading for these variables vary from .714 to .916. Explained variance for this factor is 74.870 and Eigen value is 5.990. Cronbach Alpha is used to confirm the internal consistency or reliability of the data. The value of Cronbach is .950 which is under acceptable range ($>.70$) and reported scale is reliable (Table 2).

Table 3: Reliability Analysis of Strategic Employees' Performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.950
Bartlett's Test of Sphericity	Approx. Chi-Square	11317.780
	Df	406
	Sig.	.000

Source: Primary Survey

KMO and Bartlett's Test of Sphericity were used to check the reliability of the scale. KMO value more than .05 and Bartlett's Test of Sphericity significance level less than .05 indicate that the data is correlated. The outcomes of the KMO and Bartlett's Tests, which are used to evaluate the appropriateness of the sample size, are shown in the Table 3. The KMO value is .950, which falls under acceptable range ($>.70$). Chi-Square value is 11317.780 with the degrees of freedom 406. Bartlett's test is found to be significant at 5 per cent of significance level. KMO and Bartlett's tests result indicate that the sample can be used for analysis without any difficulties (Surucu et al., 2022).

Table 4: Exploratory Factor Analysis on Employees' Performance

Factors	Variables	Factor loading	Communalities	Eigen Value	Variance Explained	Cronbach Alpha	Total Variance Explained
Adaptive Performance	EP7	.789	.719	13.293	22.455	.945	64.676
	EP30	.787	.719				
	EP26	.777	.736				
	EP9	.764	.741				
	EP27	.764	.772				
	EP19	.749	.713				

	EP12	.741	.643				
	EP23	.716	.655				
	EP3	.699	.569				
	EP21	.647	.626				
Contextual Performance	EP24	.804	.701	3.238	21.119	.930	
	EP18	.793	.693				
	EP16	.788	.752				
	EP11	.787	.683				
	EP25	.784	.691				
	EP20	.780	.674				
	EP22	.772	.724				
	EP15	.720	.630				
	EP8	.661	.461				
Task Performance	EP29	.751	.648	2.226	21.102	.912	
	EP4	.751	.698				
	EP2	.737	.624				
	EP13	.720	.592				
	EP28	.705	.593				
	EP1	.700	.525				
	EP17	.682	.512				
	EP14	.674	.530				
	EP10	.673	.548				
	EP5	.659	.538				

Source: Primary Survey

Table 4 shows the exploratory factor analysis on employees' Performance. Out of 30 items, the one item namely EP6 is not considered because of low factor loading. Three factors were extracted from 29 items namely adaptive performance, contextual performance and task performance.

Factor 1: Adaptive Performance

Adaptive Performance is the first extracted factor which include ten variables i.e. *Absenteeism rate has reduced remarkably since training has started in organization, Recognition from superiors leads to better employees' performance, Career development plans helps to retain better employees,*

Satisfaction level for my work has increased after getting training, Colleagues in my organization work hard to treat the customer well, Performance appraisal helps to analyses the success of relationship among superiors and their subordinates, I have productive conversations with my manager on my performance in the organization, Employee understands the potential in career growth in the organization which leads to better performance, Training helps in minimizing number of product defects, Employees having liberty to organize their job tasks as per their convenience produce more output. The factor loading for these variables vary from .647 to .789. Explained variance for this factor is 22.455 and Eigen value is 13.293. Cronbach Alpha is used to the internal consistency or reliability of the data. The Cronbach value is .945 which is fall under acceptable range (>.70) and reported scale is reliable (Table 4).

Factor 2: Contextual Performance

Contextual Performance is the second extracted factor which include nine variables i.e. *Training helped me in socializing and developing a good relation with my peers, Training promotes the successful succession planning, Employees' freedom for decision making improves their satisfaction in the organization, Performance appraisal promotes communication between superiors and their subordinates, Performance appraisal helps for setting goals for employees, I am satisfied with the opportunities available for career development, Employees having liberty to organize their job tasks as per their convenience produce more output, A progressive career path leads to better employee performance, Succession planning promotes employee performance, Employees career plans promotes employees' performance.* The factor loading for these variables vary from .661 to .804. Explained variance for this factor is 21.119 and Eigen value is 3.238. Cronbach Alpha is used to the internal consistency or reliability of the data. The Cronbach value is .930 which is fall under acceptable range (>.70) and reported scale is reliable (Table 4).

Factor 3: Task Performance

Task Performance is the third extracted factor which include ten variables i.e. *The output of the selected employees equals to the input, My job description is according to my qualifications which makes me better performer, Training helps me to achieve work target in time , My performance and productivity have increased significantly after attending training sessions, Being a trained employee helped me in easy and timely attaining the given targets., Authorities are satisfied with my work, Appraisal based on my performance awarded by the manager is satisfactory, Performance appraisal helps to motivate excellent performers, Quantity of employees' work output has increased due career*

development opportunities, Opportunities of promotion helps to increase employees' performance. The factor loading for these variables vary from .659 to .751. Explained variance for this factor is 21.102 and Eigen value is 2.226. Cronbach Alpha is used to the internal consistency or reliability of the data. The Cronbach value is .912 which is fall under acceptable range (>.70) and reported scale is reliable (Table 4).

Effect of Strategic Career Development on Employees' Performance

Figure 1 represents the structural model of employee performance and strategic career development. The independent variable is strategic career development and the dependent variable is employee performance. The reliable and valid strategic career development and employee's performance scales were added in structural equation. In this structural model, relationship between strategic career development and employees' performance is examined.

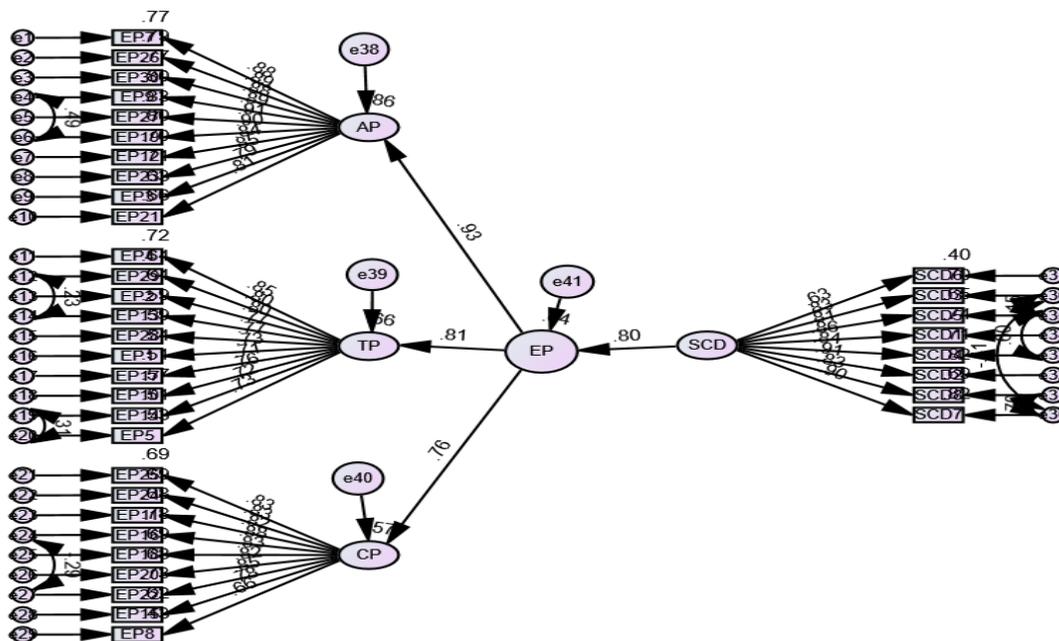


Figure 1: Effect of Strategic Career Development on Employees' Performance**Table 5: Structural Model Fit Indices**

Indices	CMIN	DF	P	CMIN/DF	GFI	NFI	IFI	TLI	CFI	RMSEA
Default Value	2994.828	618	.000	4.845	.801	.831	.861	.849	.860	.088
Cut off Criteria	-	-	<.05	<5	>.700	>.800	>.800	>.800	>.800	<.10

Source: Primary Survey

Table 5 shows the values of different model fit indices. CMIN for this structural model is 2994.828 with the 618 degrees of freedom and .000 probability value. CMIN/DF (4.845) which is below than maximum acceptable value. Values of all goodness of fit indices i.e., GFI (.801), NFI (.831), IFI (.861), TLI (.849) & CFI (.860) are more than minimum acceptable value (Hair et al.2014) which indicates the better fit. RMSEA (<.10) (Byrne, 2010) for better fitness of the model. RMSEA value is .088 which indicate the excellent fitness of the model.

Table 6: Standardized Regression Weights

Items	Path	Factors	Estimate	S.E.	C.R.	P	Label
EP	<---	SECD	.798				
AP	<---	EP	.930				
TP	<---	EP	.812	.033	17.135	***	
CP	<---	EP	.756	.030	16.613	***	

Source: Primary Survey

Table 6 shows the standardized regression weight of structural model. The value of standardized regression weight is .798 which is found statistically significant at 5 per cent of significance level and positive. The 79 percent of the total variance was explained in employees' performance by strategic employee career development. It can be determined that strategic employee career development positively effects the employees' performance. Thus, the hypothesis (H₁), there is a significant effect of strategic employee career development on employees' performance is accepted.

Conclusion

Studying how strategic career development effect employees' performance may have major suggestions for both organizations and research in the area of strategic human resource management. The finding of the study shows that organizations adopt new strategies to promote the growth of employee's career. Continuous training sessions have been organized to make employees more knowledgeable and skillful. For career development most important part are employees who must be aware of their career path. Every employee's career path is decided on the basis of their skills and knowledge. Organizations should provide opportunities to employees to show their expertise. Comprehending the connection between strategic career development and employee performance, organizations should provide adequate training and development programs to their employees. Organization should provide continuous training to their employees so that it can help them in promoting their abilities and skills to perform better in their field. Employee satisfaction towards their career advancement opportunities leads to perform better. To improve employee performance, organizations should focus on their career development strategies.

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