

## Career Management, Employee Development and Performance in Indian Information Technology Organizations

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### Abstract

Employee development has surged to the forefront on concerns for HR departments. Many organizations have established career centers to enhance employees' professional growth. Employee development is sponsored by an organization for its workers and focuses on identifying, assuring, and helping evoke new insights through planned learning. A lack of career planning for promotion and individual aspirations with organizational needs and opportunities causes great personal and financial hardship, both to the individual and the company. The present study investigates relationship between career planning, performance and employee growth and explores the alignment between individual and organization's career planning.

100 employees from five Indian IT companies were administered a researcher developed questionnaire followed by personal interviews to collect data. It was found that Career guidance, leadership roles, network building, developing new skills, taking up special assignments and receiving productive feedback from the boss play the most important role in making the career path easier and also aids in the performance and employee growth. Will to seek information, introspecting past experience, experimenting new work roles, and discussing career interest with superiors and colleagues play a moderate role in career planning and performance of the employees. The paper discusses the results and implications for Indian IT organizations.

**Key words:** Employee development, career planning, employee growth, employee performance, IT organization



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### INTRODUCTION

The business world is undergoing unprecedented change. Organisations operating in this complex business environment are constantly engaged in restructuring and downsizing processes, facilitating mergers and acquisitions and embracing technological advancements to cope with the dynamic pressures of globalisation. These changes at the organisational level have elevated the importance of managing people at work, and in particular, the planning and managing of their careers. Arguably, people are the most valuable resource in contemporary organisations, and providing them with a long term stable career is a win-win situation for both organisations and their employees. However, during the last few decades the notion that individuals are also responsible to cater to and build their own careers, instead of leaving it entirely to the organisation to manage, has been well documented. Hence, career management requires initiative from both organisations as well as individuals in order to provide maximum benefit for both. It is the goal of all quality organizations to provide their employees superior opportunities to grow, both individually and as professionals. Nothing has greater impact than hiring the right people and having them develop simultaneously with the company's own growth. This creates continuity of management and knowledge and also an environment for employees to thrive and grow. It has been frequently shown that appreciation and growth can be stronger motivators for an employee than money and can result in reduced turnover rate, improved customer service and ultimately generates higher profits for the company. With this in mind, it is best to lay out clear expectations for performance so that employees can achieve both personal and professional growth. Employees should understand that their employer is committed to making every effort to educate them so that they can expand their horizons and take on new responsibilities over time and being employable.

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Career management is the process by which individuals collect information about values, interests, and skill strengths and weaknesses (career exploration), identify a career goal, and engage in career strategies that increase the probability that career goals will be achieved. The career management process involves career exploration, development of career goals, and use of career strategies to obtain career goals. The relationship between different aspects of the career management process and employee development behaviour and performance was examined in this study. Employees provided information concerning their personal characteristics, career management strategies, their manager's support for career development, and willingness to participate in development activities. According to McDaniels and Gysbers (1992), career development is the total constellation of psychological, sociological, educational, physical, economic, and chance factors that combine to shape the career of any given individual over the life span. Greenhaus, Callanan and Godshalk (2000) suggests that career development is an ongoing process by which individuals progress through a series of stages, each of which is characterised by a relatively unique set of issues, themes, and tasks. Hall and Associates (1986) define career development as the outcomes emanating from the interaction of individual career planning and institutional career management processes. Career development as an HR intervention program is not about promoting linear career progression upwards through a layered hierarchy of increasing responsibilities, financial rewards and more time spent at work. It is about helping employees to become change resilient, more secure in them and their future as the organisation adjusts to changing market situations. It is about increasing employability that broadens the range of potential job roles open to the individual and extends the value of their staying with this employer.

## LITERATURE REVIEW

The review of literature focuses on the use of career management and development systems for improving employees' career motivation and commitment because of the purported link between career management, performance, developmental behaviour, and participation in development activities. No empirical research has investigated the relationship between the career management process, developmental behaviour, and job performance. Developmental behaviour and activities (e.g. attending courses, reading journals, or initiating new projects) are designed to enhance personal and professional growth (London, 1989). Previous studies of career management have focused on only one aspect of the career management process, such as exploration behaviour or career goal setting (e.g. Stumpf, Colarelli and Hartman, 1983). In this study, the influence of multiple aspects of career management is simultaneously investigated. Most other studies of career management have used student samples. The large majority of studies of career management have used outcome measures related to personal effectiveness such as satisfaction with occupational choice and career information (Greenhaus and Sklarew, 1981; Stumpf et al., 1983). Naturally, with proper career planning and career management, an individual expects to reap the result of such investment by attaining career development.

This notion of career planning and development initiatives fostering organisational effectiveness depends on the organisation's ability to transit employees from a traditional pattern of expectation to one of increased responsibility for their own career growth and development (Martin, Romero, Valle & Dolan 2001). A well designed career development system enables organisations to tap their wealth of in house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals to the needs of the organisations. In addition, it enables them to make informed decisions around compensation and succession planning to attract, retain and motivate the employees, resulting in a more engaged and productive workforce (Thite 2001, Kapel & Shepherd 2004, Kaye 2005). Career development must be an ongoing system linked with the organisation's human resource (HR) structures and not a onetime event (Leibowitz, et al.1988). This paper attempts to explore on variables that link career management and employee development to performance in Indian IT organizations.

## OBJECTIVES OF THE STUDY

1. To find out the employee's perceptions about career management and employee development dimensions
2. To measure the extent of career exploration by employees
3. To identify the career goal characteristics of employees

4. To measure the extent of career strategies of the employees
5. To find the manager's support for the development of the employees
6. To measure the willingness of the employees to participate in development activities
7. To find the extent to which the employees are engaged in developmental behaviour

#### **SAMPLE SIZE AND TECHNIQUE ADOPTED**

100 employees from 5 top Indian IT Companies were the sample population. The technique used was simple random sampling.

#### **DATA COLLECTION**

A questionnaire was developed addressing the objectives of the study. 18 items were generated and the respondent was to rate each item on a 5- point Likert scale, for the value and frequency of its practice by the employees.

#### **VARIABLES UNDER INVESTIGATION**

##### **Career Planning**

It is a continuous process of evaluating your current lifestyle, likes/dislikes, passions, skills, personality, dream job, and current job and career path and making corrections and improvements to better prepare for future steps in your career, as needed, or to make a career change. Career planning is a lifelong process, which includes choosing an occupation, getting a job, growing in our job, possibly changing careers, and eventually retiring. The career planning process is comprised of four steps. 1. **Self:** Gather information about yourself (self assessment) i.e., gathering information about oneself in order to make an informed career decision. 2. **Options:** Exploring the occupations in which you are interested i.e., Gathering career information is an important part of the career planning process. This information includes employment outlook, salary, related occupations, education and training, and job duties. Find what you need in these articles, descriptions, and interviews. Research the industries in which you would like to work i.e., Research about the Labour market. 3. **Match:** During this phase of the process, you will - Identify possible occupations, Evaluate these occupations, Explore alternatives, and lastly Choose both a short term and a long term option. 4. **Action:** In this phase you develop the steps needed to take in order to reach your goal, for example: Investigating sources of additional training and education, if needed, Developing a job search strategy, Writing your resume, Gathering company information, Composing cover letters, and Preparing for job interviews.

**Employee Performance:** Performance is getting the job done and producing the result that you aimed at. Performance management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals. Employee performance management includes - Planning work and setting expectations, Continually monitoring performance, Developing the capacity to perform, Periodically rating performance in a summary fashion, and Rewarding good performance.

##### **Employee Development**

Employee development is a joint, on-going effort on the part of an employee and the organization for which he or she works to upgrade the employee's knowledge, skills, and abilities. Successful employee development requires a balance between an individual's career needs and goals and the organization's need to get work done. Employee development programs make positive contributions to organizational performance. A more highly-skilled workforce can accomplish more and a supervisor's group can accomplish more as employees gain in experience and knowledge.

#### **RESPONDENT PROFILE**

43% of the respondents were in the age group 26-35 yrs followed by 37% (18-25 yrs), 13% (36-40 yrs) and 7% were above 40 years. The male respondents constituted 63% and the female respondents were 37%. Work experience of the respondents in the present organization was 1-2 years for 37%, less than 1 year 28%, more than 4 years 19% and 16% were between 2-4 years.

## MAJOR FINDINGS

### Objective 1

To find out the employee's perceptions about career management and employee development dimensions

#### Insert table-1 here

The means indicate that IT employees perceive career management and employee development as a developmental tool (3.55) maximally followed by opportunities to explore career (3.17) and career goal characteristics (3.01). Manager's support for development was perceived the least (2.77) and willingness to participate in developmental activities moderately (2.97).

### Objective 2

To measure the extent of career exploration by employees

#### Insert table-2 here

The means indicate that while career exploration IT employees seek more often information on specific career areas or jobs that they are interested (3.62), followed by reflection of past experiences to be integrated into ones future career (3.20) and least engaged in trying out new work roles just to see if they liked them (2.69).

**OBJECTIVE 3:** To identify the career goal characteristics of employees

#### Insert table-3 here

IT employees were pretty clear about their career goals (3.17), and were of the opinion that they need many positions or jobs to hold in order to reach their career goal (3.01), and they were not fully sure that they have met their career goal (2.86).

**OBJECTIVE 4:** To measure the extent of career strategies engaged by IT employees

#### Insert table-4 here

IT employees preferred developing skills (3.32) as the dominant strategy for achieving career goal followed by building a network of friendships in the division which could help further ones career progression (3.24), and building a network of contacts within the division for obtaining information about events, changes, or activities within the division (3.13), and the least preferred strategy was being a leader in work areas where there appeared to be no leadership (2.76).

**Objective 5:** To find the manager's support for the development of the employees

**Objective 6:** To measure the willingness of the employees to participate in development activities

#### Insert table-5 here

IT employees felt that their boss only moderately supported and gave them information and feedback about their performance (2.77) and it was found that IT employees were only moderately inclined to and interested in attending meetings and seminars on new work methods (2.97). IT managers moderately give feedback about employee performance which can aid them to make career choices and build their future career. IT employees either do not find the time to attend career seminars or do not have access to these to help them make appropriate career choices and experience growth and development.

**Objective 7:** To find the extent to which the employees are engaged in developmental behavior

#### Insert table-6 here

IT employees were only moderately keen in engaging and taking up projects, committee work, or special assignments in order to improve skills or acquire new skills (2.77).

## FACTOR ANALYSIS OF THE PRINCIPAL COMPONENTS (Refer annexure 1, 2 & 3)

The responses of 100 respondents were entered into the PCA (Principal Components Analysis) of SPSS software wizard. The data was subjected to PCA followed by Varimax rotation. The A priori criterion is followed in the analysis, to extract five factors based on dimensions such as career exploration, career goal strategies, manager's support, willingness to participate in development activities and development behaviour. The dimensions in the analysis is stopped once the desired factors have been extracted.

### Factor 1: Individual factors for Career Growth

This is the most important factor. The strongest variable was Meeting the Career Goal (.693), followed by Surety of Career Goals (.660), Experiment New Work (.658). Friendship at work (.512) and Discussing Career Interests (.504) were weakest variables. The first factor explains the maximum variance of the variables(16.734).

**Factor 2: Managerial factor for Career Growth**

Here the strongest variable was New Work Roles (.650), followed by Leadership Roles (.624), Accomplishment Discussion (.609). Feedback from Boss (.565) and Disuses Career Interest (.511) were weakest variables.

**Factor 3: Organizational Processes for Career Growth**

The strongest variable was Special Assignment (.656) followed by Sought Information (.654).

**Factor 4: Organizational Culture for Career Growth**

The strongest variable was Develop New Skills (.609) followed by Career Guidance (.602). The weakest variable was Friendship at Workplace (.577).

**Factor 5: Opportunities for Career Growth**

The strongest variable was Past Experience (.555) and Number of Positions Held (.555).

**IMPLICATIONS TO IT ORGANIZATIONS**

To enhance Individual factors in career management and employee development, employees need to engage in career counseling, attend career workshops and seminars, use career workbooks, enroll for e-learning programs, chose job rotation and use formal and informal networks to discuss career interests and explore career options through learning and training.

To enhance managerial factors managers need to provide coaching, mentoring, continuous feedback on performance and also provide opportunities for growth and networking. They should try to find out the employee's career interest and provide them the opportunities. Career paths and succession planning should be communicated to them.

To enhance organizational processes as they affect the career management and employee development IT organizations need to introduce systems that are fair and just. Provide opportunities for growth and development by allowing employees to engage in special assignments and provide detail information about opportunities for career growth and development. Introduce more horizontal growth and job enrichment, by providing challenging assignments and a variety of tasks to employees.

Organizations need to create a proactive and developmental culture which revolves around maintaining and forging positive friendship and relations among members of various levels, job rotation and enrichment program to develop new skills and formal career guidance programs.

Opportunities should be created by increasing the number of positions and roles in the organizations that are not only challenging but also where employees can experience growth and development and leverage their past experiences.

**CONCLUSION**

The study found that individual factors contributed maximally to IT employee's career growth, followed by managerial factor, organizational processes, organizational culture and least factor was opportunities for career growth. The strongest individual factor that influences career growth was found to be meeting career goal, followed by new work roles, special assignments, develop new skills and leveraging past experiences.

A career is not just a job, but revolves around a process, an attitude, behavior and a situation in a person's work life to achieve set career goals. Although career is the property of individuals, but for the employed, it is organizations that should plan and manage employee careers. Career management requires initiative from both organizations as well as individuals in order to provide maximum benefit for both. In the emerging world of the present and the future, the practices of career development are being challenged to find new paradigms and new scientific bases. With proper career planning and career

management, an individual expects to reap the result of such investment by attaining career development.

#### LIMITATIONS OF THE STUDY

- The complete domain of career strategies and performance outcome was not investigated. Objective performance outcomes (e.g. innovations, cost-savings) not collected in this study might be related to career management.
- Different career strategies such as job involvement might positively influence performance or developmental behaviour.
- Lack of comparison between the employees and managers who participated in the study with the non-respondents.

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Table 1: Indicating means on career management and employee development dimensions for IT employees.

CAREER MANAGEMENT/ EMPLOYEE DEVELOPMENT DIMENSIONS	MEANS
Developmental behavior	3.55
Career Exploration	3.17
Career goal characteristics	3.01
Career Strategies	3.00
Willingness to participate in development activities	2.97
Manager's support for development	2.77

Table 2: Indicating the means on career exploration

<b>CAREER EXPLORATION</b>	<b>MEANS</b>
To what extent have you sought information on specific career areas or jobs you are interested in?	3.62
To what extent have you reflected on how your past experiences can be integrated into your future career?	3.20
To what extent have you tried new work roles just to see if you liked them?	2.69

Table 3: Indicating the means for career goal characteristics

<b>CAREER GOAL CHARACTERISTICS</b>	<b>MEANS</b>
How sure are you about your career goal?	3.17
In your opinion, do you need many positions or jobs to hold in order to reach your career goal?	3.01
I've met my career goal	2.86

Table 4: Indicating the means for career strategies engaged

<b>EXTENT OF CAREER STRATEGIES ENGAGED</b>	<b>MEANS</b>
To what extent have you tried to develop skills which may be needed to attain your career goal?	3.32
To what extent have you built a network of friendships in the division which could help further your career progression?	3.24
To what extent have you built a network of contacts within the division for obtaining information about events, changes, or activities within the division?	3.13
To what extent have you taken leadership in work areas where there appeared to be no leadership?	2.76

Table-5

<b>MANAGER'S SUPPORT FOR DEVELOPMENT</b>	<b>MEANS</b>
To what extent does your boss give you feedback about your performance?	2.77
<b>WILLINGNESS TO PARTICIPATE IN DEVELOPMENT ACTIVITIES</b>	<b>MEANS</b>
Are you interested in attending meetings and seminars on new work methods?	2.97

Table-6

<b>DEVELOPMENTAL BEHAVIOUR</b>	<b>MEANS</b>
To what extent are you keen for projects, committee work, or special assignments in order to improve skills or acquire new skills?	3.55

**Annexure 1**  
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	16.734	92.968	92.968	16.734	92.968	92.968	4.206	23.368	23.368
2	.248	1.379	94.347	.248	1.379	94.347	3.987	22.149	45.517
3	.219	1.216	95.563	.219	1.216	95.563	3.376	18.753	64.270
4	.161	.894	96.456	.161	.894	96.456	3.309	18.381	82.652
5	.142	.791	97.247	.142	.791	97.247	2.432	13.512	96.164

6	.110	.611	97.858					
7	.094	.520	98.378					
8	.083	.461	98.839					
9	.049	.271	99.110					
10	.039	.218	99.328					
11	.028	.156	99.484					
12	.025	.138	99.622					
13	.019	.104	99.726					
14	.016	.090	99.816					
15	.014	.076	99.891					
16	.010	.057	99.948					
17	.009	.052	100.000					
18	-	-						
	1.501E-16	8.340E-16	100.000					

Extraction Method: Principal Component Analysis.

**Annexure 3**  
**Rotated Component Matrix<sup>a</sup>**

	Component					
	1	2	3	4	5	
New Work Roles		.650				
Surity of Career Goals	.660					
No. of Positions					.555	
Met career Goals	.693					
Network Building						
Friendship at workplace	.512			.577		
Develop New Skills				.609		
Leadership Roles		.624				
Skills of current job						
Accomplishment discussion		.609				
Desired Job Assignment						
Career Guidance				.602		
Discuss Career Interest	.504	.511				
Feedback from Boss		.565				
Experiment New work	.658					
Special Assignment			.656			
Sought Information			.654			
Past experience					.555	

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 12 iterations.