The Relationship Between Career Development Practices and High Performance Talent in Private Organization in Malaysia

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Abstract

The purpose of this study is to examine the relationship between career development practices and high performance talent. Particularly, the objectives of this study were (1) to identify the career development practice in selected service organization; (2) to examine the talent’s perception in regards to career development practice in the organization; (3) to identify the talent’s perception in regards to their current performance; (4) to study the relationship between succession planning, job rotation, pipeline system, mentoring program, educational and tuition reimbursement practices toward developing high performance talent; (5) to determine the relationship between overall career development practices and high performance talent. This study utilized theory developed by Gutteridge (1993), Holstein (2005) and Super (1954). Data were collected by both qualitative and quantitative methods. Focus group discussion with 15 selected Human Resource Manager was initially conducted to help the researchers to develop the survey questionnaire. A number 233 respondents from three selected organizations namely aviation, postal service and manufacturing involved in the survey. Qualitative data were analyzed using thematic analysis. Both descriptive and inferential statistics namely frequency, mean, and Pearson correlation were used to analyze the quantitative data. Results of focus group discussion found that among the career development practices that were practiced in their organizations are job rotation, mentoring, pipeline system, succession planning and education tuition fees reimbursement. Results of that correlation analysis showed a significant relationship between education tuition reimbursement, job rotation, mentoring program, pipeline system, succession planning and high performance talent ranges from moderate to strong relationship. The results also showed that overall career development practices was significantly correlated with high performance talent. Lastly, recommendations for practices and future studies were also discussed.

Keywords: Career development; high performance talent; talent

Abstrak


Kata kunci: Pembangunan kerjaya; bakat prestasi tinggi; bakat

1.0 INTRODUCTION

In this globalized world of business, changes are constantly witnessed on a daily basis that leads to mergers and downsizing processes, technological advancements in order to cope with the pressure of globalization. These constant changes at the organizational level have elevated the importance of managing people at work, and in particular, the planning and managing of their careers. It was understood that career is the property of individuals (employers and self-employed) and for those employed, it is the organization that will plan and manage their employee careers through created career development practices and activities in order to develop high performance and high potential employees for the sense of increasing productivity.
This study focuses on the topic of career development practices towards developing high performance talent in a three selected organizations in Malaysia namely aviation, postal service and manufacturing. From previous study, HRD scholars had focused on some critical perspectives on talent management and development and its real impact toward HRD practices—Career Development practice. In particular, they also questioned whether talent development is just a new driven by a new management fashion or imply a real change (Iles, Preece & Chuaï, 2010).

Recently, many organizations have the opportunity to assume a critical and dynamic role in the design of sustainable competitive advantage through HR policies and practices that focus on attracting, retaining and developing talents. Boxall and Purcell (2003, p.140) argues that organizations need to attract and nurture people who have the competencies and ability that will make the organization increase their productivity.

According to Herr (2001), 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. One of the new paradigms is to develop high performance talent through effectively managing talent. Talent management is the additional management processes and opportunities that are made available to people in the organization who are considered to be ‘talent’. It is also known as a management system that helps to target investment in those offering future potential to meet with organization’s strategic objectives. The literature sets out many description of talent management, which can be summed up under the following three groups of definitions (Lewis and Heckman, 2006).

The first definition is ‘ensuring that the right person is in the right job at the right time’ (Jackson and Schuler, 1990, 235). The second definition is ‘systematic effort by an organization to ensure critical personnel continuity in key positions and encourage individual advancement’ (Rothwell & Kazanas, 1989). Based on the above two definition, it was known that talent management is a set of continuity process which will bring the organization to achieve its ultimate goals if it is keep nurturing and practicing all over the time. The last definition of talent management is ‘managing the supply, demand and flow of talent through the human capital engine’ (Pascal, 2004). Pascal believed that talented people are the most valuable resources within or outside the organization and it is a must to structure HR practices or policies to nurture those talented people.

There are several problems that might exist and one of those problems is the confusion between career development, career planning with training and development practices. Many organizations confuse that they do prepare career development practices to their employees but in fact they are preparing training and development practices to improve their worker’s performance for the time being. In addition, career development practices which will help to develop high performance talent and organization growth (Martin, Valle, Romero & Doland, 2001) might not be successfully implemented in the organization. Some organizations may think that it is unnecessary for them to practice career development activities since they are already practicing training and development activities which is for current use. They misunderstood that training can also for future use and in fact career development is the activity that set up future implementation. This problem occurred because of lack of understanding of the importance of career development practices and talent management. Talent management is still consider a new paradigm in HR practices and one of the tools to develop it is by creating and developing HR tool, for example, succession planning.

1.1 Objectives of the Study

Based on the career development and high performance talent interests described above, the objectives of this study are as follows:

i. To identify the career development practice in aviation service organization in Malaysia.

ii. To examine the talent’s perception in regards to career development practice in the organization.

iii. To identify the talent’s perception in regards to their current performance.

iv. To study the relationship between succession planning, job rotation, pipeline system, mentoring program, educational and tuition reimbursement practices with developing high performance talent.

v. To determine the relationship between career development practices and high performance talent.

1.2 Significance of the Study

This research is carried out to have a clear and better understanding about the importance of the career development practice toward developing high performance talent in private organization in Malaysia. According to Martin, Romero, Valle and Doland (2001), most of the private companies were facing the lack of talent in the organization, so that they had spent a lot of time to train and develop their own talent pool. HR practitioners have to develop the right talents, in the right people, at the right time and in the right way, to ensure their talent pipeline has an abundant supply of management talents (Haskins and Shaffer, 2010).

The finding of this study is important in the consequence of the career development practices toward high performance talent. This will bring us a potential benefit about career development practice that actually enriches the employees in the organization. It can show us the effectiveness and efficiency about the career development practices in developing talent pool. In particular, HRD literature questioned whether talent management is just a new label driven by a new management fashion or implies a real change as a new paradigm (Iles et al., 2010).

In this study, researchers investigated the performance achieved by talent pool. The result of this research was useful to the HR Manager of the organization that comprehends the importance of career development practices to develop and retain high performance talent in the organization. The development of senior managers and ‘high-potential’ people who are identified as strategic human resources and seen as critical to company’s survival has thus been increasingly recognized as a key role for the corporate HRD function, especially in the international firm (Iles, Chuaï & Preece, 2010).
1.3 Conceptual and Operational Terms

1.3.1 Career Development

There are many definitions by the scholars about career development. According to Paul (1996), career development is currently a topic under considerable scrutiny by human resource management (HRM) and training professionals.

Both seek interventions and learning experiences which will help staff adjust to the new era of maintaining their employability rather than long-term tenure. Conceptually, the concept of career development was first advanced by Ginzberg, (Ginsburg et al., 1951) who proposed that occupational choice is a developmental process that occurs over a number of years. Their original theory, which assumed that the process was completed in early adulthood, was later revised to recognize occupational choice as a lifelong process of decision making (Ginzberg, 1972, 1984). The importance of acknowledging career development over the life spans incorporated in the following definition: “Career development is the total constellation of psychological, sociological, educational, physical, economic and chance factors that combine to shape the career of an individual over the life span” (Sears, 1982, p. 139).

On the other hand, Gutteridge et al. (1993) had outlined several career developmental program including job rotation, tuition assistance and reimbursement plans, and mentoring programs. These practices will be use in this research for the instrumentation part to measure the talents perception in regards to the career development that has been implemented.

1.3.2 Talent

A reading of the talent management literature suggests that, at an individual level, talent is something exemplary that certain people possess. Gladwell (2010) proposed that “talent is equal to ten years or 10,000 hours invested in a specific field”. However, when one considers organizational level definitions, a narrower view of talent emerges. Michaels et al. (2001) argues that, in the context of management positions, talent is conceptualized as “A code for the most effective leaders and managers at all levels, who can help a company fulfill its aspirations and drive its performance. Managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, fundamental skills and the ability to deliver results (Michaels et al., 2001, p. 111).

1.3.3 High Performance Talent

Ready et al. (2010) had articulated the characteristics of high potentials as follows: they consistently deliver strong results credibly; they master new types of expertise quickly; and they recognize that behavior counts.

They also suggest that high potential talent is hardwired with the drive to achieve excellence, a relentless focus on learning, an enterprising spirit, and a capacity to make careful assessments of risk. Therefore, “talent” can be viewed as referring to a limited pool of organizational members who possess unique managerial and leadership competencies. Iles, Preece and Chuai (2010), have highlighted the lack of consensus concerning what talent may fall within the scope of a talent development process.

They emphasize four possible scenarios: an inclusive approach that focuses on developing each potential employee; an inclusive approach that emphasizes the development of social capital more generally in the organization; an exclusive approach that focuses on developing specific elite individuals or an exclusive approach that focuses on key positions, roles and develops talent to fulfill these roles.

Operationally by this research, we will focus on the talent pool in the three private organizations that has been identified by the top management to replace them once vacant. Operationally, in this research, seven characteristics of high performance talent proposed by Ready et al. (2010) will be used to measure and examine the talents perception in regards to their current performance.

2.0 REVIEW OF LITERATURE

Human resource development practices included training and development, succession planning, job rotation, workshop and compensation which impact on organization and employee’s performance as supported by Lee and Lee (2007) and Sumittra and Kannika (2012). Human resource practices help improve organization and employee’s performance including employee’s productivity, product quality and organization’s flexibility. As in the study conducted by Sumittra and Kannika (2012), results shows that the above few HRD practices were strongly correlates with employee and organizational performance. Ruwan (2007) empirically evaluated six human resource practices which including realistic job information, job analysis, work family balance, career development, compensation and supervisor support (supervisor discussion) likely impact on employee’s performance.

Results of regression showed that these HR practices are strong predictors on the turnover issues and hence positively correlates with talent’s performance. In addition, from local studies, (Zaini et al., 2009) argued that other four HR practices which are career planning system, teamwork, succession planning and performance management and appraisal have positive and significant influence on business and employee’s performance.

Previous studies also showed that human resource development (HRD) practices including career development, training and development influence employees productivity and performance which in turns improve organization performance (Chinebuli, 2013). Training was found to improve employee skills and competency which results in improving employees’ performance.

Results of the studies also showed that career planning system, succession planning and performance management were positively correlates with employees performance. Employees tend to improve their performance and satisfy with their job when they have effective and closed supervision, training as ongoing learning for them in the workplace and good pay (Droussiotis & Austin, 2007). Furthermore, from the study conducted by Azman, Nik Ghazali, Aveleena, Michael Kho. (2004, mentoring program is found as an important predictor in mentee’s career who tends to develop high performance. This result is also consistent with studies conducted by Allen and Eby, Poteet and Lentz and Lima (2004) which also found the role of mentoring in developing high performance workers. The above information was
used in this study to further corroborate the relationship between career development practices and employee performance, and thereby, test the hypotheses.

H1: Succession planning has a positive relationship with high performance talent
H2: Job rotation is significant to high performance talent
H3: Career planning system (pipelines system) correlates with high performance talent
H4: Mentoring system significantly correlates with high performance talent
H5: Educational and Tuition reimbursement is significant correlates with high performance talent

3.0 RESEARCH DESIGN

This study used a cross-sectional research design that allowed researcher to integrate literature review, semi-structured interviews, expert’s validation and survey questionnaires as a main procedure to gather data for this study. As supported by many other researchers, the use of such methods may gather accurate and less bias data (Sekaran, 2000).

This study utilized both the qualitative and quantitative research methodology in order to investigate the relationship between career development practices and developing high performance talent in the three selected organizations.

Data were collected by both qualitative and quantitative methods. Focus group discussion with 15 selected Human Resource Manager was initially conducted to help the researchers to develop the survey questionnaire. A number of 233 respondents from three selected organizations namely aviation, postal service and manufacturing involved in the survey. Qualitative data were analyzed using thematic analysis. Both descriptive and inferential statistics namely frequency, mean, and Pearson correlation were used to analyze the quantitative data.

The interviewed information helped the researcher to understand the nature of career development practices and the relationship between such variables towards developing high performance talent in the studied organization. After refining, categorizing and comparing the information with the related previous studies, the triangulated information was used as a guideline to develop the content of survey questionnaire for the quantitative data collection. This survey is then going through for expert’s validation.

The instrument used in this study were tested through pilot study and the value of the reliability for all instruments namely succession planning α = .807, job rotation α=.829, pipeline system α=.894, mentoring program α=.865, tuition reimbursement α=.832 and high performance talent α=.811 show α > 0.8 which is categorized as ‘good’ for internal consistency (Sekaran, 2003)

4.0 RESULTS AND FINDINGS

This section covered the findings of the entire research including demographic data, career development practices, respondents’ perception regarding career development practices and current performance and the relationship between each career development practices For the demographic in Table 1.1, there are 100 male respondents and 133 female respondents whose ages were mostly come from the average between 25–34 years old; 98 of respondents were working in the company below 5 years and 133 respondents were servicing between 5–10 years; 63 of respondents were SPM/STPM holder, 54 diploma, 81 with Degree and and respondents were master holder; 65 of respondents were from managerial level, 71 are the executive level and 97 are from the operation level. All respondents chosen involved in all career development programs practiced by their respective organization.

<table>
<thead>
<tr>
<th>Demographic Data</th>
<th>Frequency / Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>100 (42.9%)</td>
</tr>
<tr>
<td>Female</td>
<td>133 (57.1%)</td>
</tr>
<tr>
<td>Age</td>
<td></td>
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<tr>
<td>25-34 years</td>
<td>145 (62.2%)</td>
</tr>
<tr>
<td>35-44 years</td>
<td>56 (24.0%)</td>
</tr>
<tr>
<td>45-54 years</td>
<td>32 (13.7%)</td>
</tr>
<tr>
<td>Length of service</td>
<td></td>
</tr>
<tr>
<td>Below 5 years</td>
<td>98 (42.0%)</td>
</tr>
<tr>
<td>5-10 years</td>
<td>45 (19.3%)</td>
</tr>
<tr>
<td>11-15 years</td>
<td>56 (24.0%)</td>
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<tr>
<td>16-20 years</td>
<td>54 (14.6%)</td>
</tr>
<tr>
<td>Education Qualification</td>
<td></td>
</tr>
<tr>
<td>SPM/STPM</td>
<td>63 (27.0%)</td>
</tr>
<tr>
<td>Diploma</td>
<td>64 (27.5%)</td>
</tr>
<tr>
<td>Degree</td>
<td>81 (34.7%)</td>
</tr>
<tr>
<td>Master</td>
<td>25 (10.7%)</td>
</tr>
<tr>
<td>Position</td>
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<tr>
<td>Managerial</td>
<td>65 (27.8%)</td>
</tr>
<tr>
<td>Executive</td>
<td>71 (30.5%)</td>
</tr>
<tr>
<td>Operation</td>
<td>97 (41.6%)</td>
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</tbody>
</table>

Results of the focus group discussion with 15 selected Human Resource personnel found that five themes emerged from that data in relation to career development as practiced in their organizations namely job rotation, mentoring, pipeline system and succession planning education tuition fees reimbursement. Mean score result shows that respondents perceived the organizations provided all career development practices; job rotation (4.43), mentoring (3.71), pipeline system (3.80), succession planning (4.43) and education tuition fees reimbursement (3.80). Mean score regarding respondents current performance is 3.91.
Results of Pearson Correlation analysis in Table 1.2 shows that all career development practices such as succession planning ($r=.768$), job rotation ($r=.585$), pipeline system ($r=.676$), mentoring ($r=.593$) and tuition fees reimbursement ($r=.404$) have significant correlation with high performance talent development. The results also show that career development ($r=.73$) has a strong and significant correlation with high performance talent development. The more career development activities are being practiced by the organization the higher is the talent performance. Thus, all five hypotheses tested in this study are accepted.

| Table 1.2 Correlation Pearson Test |
| Independent Variables | Dependent Variables | Correlation Coefficient ($r$) |
| Succession Planning | .768* |
| Job Rotation | .585* |
| Pipeline System | High Potential Talent | .676* |
| Mentoring | .593* |
| Tuition fees Reimbursement | .404* |
| Career Development | .736* |

$^*P<0.05$

### 5.0 CONCLUSION

The main and final objective of this study is to study and determine the relationship between career development practices toward developing high performance talent in private organization in Malaysia. The career development practices that has been identified are succession planning, job rotation, pipeline system, mentoring program, and educational and tuition reimbursement.

The researchers have found that all the five practices in career development practice have the strong and moderate (Gulford, 1956) with a positively relationship toward developing high performance talent in that company. Which means the career development practice that has been well planned and implemented in that company help the talent pool on developing their performance differ with the normal performer workers.

Based on the correlation calculated shown, it can be implies that career development practices have a significant relationship with high performance talent. It is clearly shows that the company has to take more seriously on succession planning program as it carry a strong relationship in developing the talent. This finding is consistent with studies conducted by Lee and Lee (2007). They also found that career development activities have significant correlation with employee’s productivity and performance.

The current research findings also supported findings of another study conducted by Ruwan (2007) which also found a significant relationship between human resource development activities such as job analysis, job information and career development with employee performance. Employees tend to improve their performance. In addition the findings also consistent with a study conducted by Zaini et al., (2009); they argued that four human resource practices which are career planning system, teamwork, succession planning and performance management and appraisal have positive and significant influence on business and employee’s performance.

The company should emphasize more on identifying and developing through specific program and developmental activity of the internal people with the potential to fill key business leadership positions once it vacant. Thus, to fill that position, the company should plan and undergo some program or activity to help all the talent pool to cope with the right competencies.

This study also indicates the importance of the career development practice toward developing high performance talent in private organizations in Malaysia. Most of the private company was facing the lack of talent in the organization, so that they had spent a lot of time to train and develop their own talent pool. HR practitioners have to develop the right talents, in the right time and people, at the right time and in the right way, to ensure their talent pipeline has an abundant supply of management talents (Haskins and Shaffer, 2010). The finding of this study is important in the consequence of the career development practices toward high performance talent. This will bring us a potential benefit about career development practice that actually enriches the employees in the organization. It can show us the effectiveness and efficiency about the career development practices in developing talent pool.

Based on the findings, it is recommended that organization to have a well plan career development programs for their employees in order to produce high performance talents for organizations. The organization is also recommended to identify potential employees that can be further developed through succession planning. It is also recommended that future researcher to examine mediating or moderating variable in the relation between career development and development high performance talents.

In conclusion, effective human resource development practices, in particular career development is important in helping organization to develop high performance talent for the organization. Thus, it the role of top management and human resource personnel to plan and develop high performance talents through their effective career development programs.

### References


