

The More is Applied, the Better Results are Reached? Empirical Lessons Learned from the Usage of Career Management Tools

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Abstract

According to certain career theories, although the employees are responsible for their own careers, they need the help of the organizations, as they cannot realize their career aims without the support of the employer. For this reason organizations should take an active role in the career management process of their workforce in order to retain them as long as it is possible. This concept requires partnership between the employers and the individuals in which the participants are not only aware of their own needs and aims but also the expectations of their partner.

The aim of this paper is to analyze the usage of the career management tools and to find the most commonly used solutions. The study also points out the techniques applied by successful organizations. Furthermore, the authors examine the relationship between the organizational performance and the application of career management tools. Our other goal is to prove that the usage of career development techniques has a positive impact on the organizational achievements.

The investigated database for this purpose comes from the 2014/16 round of the Cranet survey, consequently represents different part of the world (e.g.: from America, Europe and Asia). The applied statistical methods are frequency queries and variance analysis. For further analyses two career management indicators are created, which are intended to show the number of different career development tools used by the respondents.

The paper designates some interesting points of the lessons learned from the analyses: e.g. organizations should not necessarily use complex career development systems where it may also be appropriate, if they use only some techniques consciously. Some of the most popular career management tools among the surveyed companies are related to the organization (e.g. on the job training, project work) and some are individual techniques (e.g. mentoring, coaching).

Keywords

Career, career development, career management tools, organizational career management.

Introduction

Based on the latest surveys (Kelly Services, 2014, 2015) conducted by Kelly Services, the employees wish more career development activities but, little do the organizations take it into consideration. According to their findings only 38% of the respondent employees (18% in Hungary) took part in a career development consultation. Every

second (globally 48%, 44% in Hungary) from them thought that it was useful for future improvement. A lot fewer workers answered that they have the opportunity to improve at the current workplace (globally 35%, 28% in Hungary). Globally less than 1/3 can see a clear career path, while it is 20% in Hungary. (Kelly Services, 2014) According to the results from 2015, a vast majority of employees want to nurture their skill

sets (70%) but only a minority experiences that their organization invests in training/upskilling. An employer who can offer these opportunities can be really attractive for workers – concluded Kelly Services 2015.

We can identify further challenges which several organizations have to face regarding the current employment situation in Europe and in Hungary. These are for example: aging society, difficulties in succession planning, gaining and retaining talented employees, more and more often job changes. There is a common point in the solution of the mentioned problems above: the organizations could handle them with a properly conceived and operated career management program.

The aim of this study is to investigate usage of the career management tools indicated by the respondents of the last Cranet survey (2014/16 round) and to show whether:

- *there is a connection between the application of career management solutions and the organizational performance,*
- *there are differences in the usage of career management methods between the better and weaker performing companies.*

1. Organizational career management and its tools

According to Kong, Cheung and Hang (2010), organizational career management can be interpreted as sum of the programs and actions provided by the organization with the aim of facilitating the career of its employees. Noe (2008) thinks that the effective career management system helps employees, managers and the company to identify the career development needs; furthermore, it includes self-assessment, environmental analysis, goal-setting and activities planning. This approach, however, is not complete because it only focuses on the design phase.

Based on the view of Farkas, Fodor, Lóránd and Vajkai (2007), organizational career management can be described as a supported, formal career development of employees. The target group of this activity can be the whole staff or just a part of it. On one hand this aspect refers to the fact that the career management activity is linked to the organization; on the other hand it also shows that the target group of this practice is not necessarily all employees of the organization; it can address just specific groups.

Based on the view represented by Arnold (1996) the definition can be explained more pre-

cisely: a series of formal and less formal activities planned and managed by the organization, through which the company seeks to influence the career development of its employees, thereby to increase organizational efficiency. According to this approach, the needs of the organization are dominant in the career management practice and the goal is the organizational success.

Leibowitz, Farren and Kaye's (1986) opinion emphasizes that the system cannot work effectively without the contribution of the employees. They state that career management is a combination of formal and planned efforts to create consistency between individual career needs and organizational resource needs. Consequently, based on Csányi's writing (2004) we can affirm that the objective of organizational career management is to coordinate the organization's human resources needs with the individual's ideas related to her/his career.

There are several career management tools which the organizations can apply during the development of their workers. Different factors can influence the usage of the diverse solutions like organizational and individual goals and needs, the operational framework and financial conditions. There are just quite few studies which examine the application of these tools and they are a little outdated as Lewis and Arnold (2012) summarize it.

Baruch has a longer list about the used career management solutions by organizations. He tested them with his co-authors many times. Baruch and Peiperl (2000) used factor analysis to group 17 organizational career management practices into five categories as follows:

- *basic (e.g.: job postings and formal education),*
- *active planning (e.g.: performance appraisal as a basis for career planning and career counselling),*
- *active management (e.g.: formal mentoring and career workshops),*
- *formal (e.g.: written personal career planning and common career paths) and*
- *multi-directional (e.g.: peer appraisal and upward appraisal).*

They showed how these categories correlate in practice, both with one another and with certain organizational characteristics. Based on their results they elaborated recommendations for organizations which can help them to select and use the appropriate career tools.

Based on the outcomes of the literature review dealing with usage of the career management techniques, we can state that the most popular means are: job postings (i.e. internal notification of vacancies), formal education, performance appraisal for career planning, career counselling with line manager (Baruch 1996; Baruch & Budhwar, 2006; Baruch & Peiperl, 2000), career reviews, informal mentors and career-path information (Iles & Mabey, 1993).

Iles and Mabey (1993) found that the most often used tools tended to be those that could be easily carried out on a day-to-day basis, while the less common ones usually required more organizational effort in the form of e.g. a “special program”.

Lewis and Arnold (2012) carried out a research about 20 career management tools used within the UK retail buying and merchandising (B&M) community. They found that internal job posting, performance appraisal for career development, induction, personal development plans and competencies were the most commonly used solutions. They used the clusters from Baruch and Peiperl (2000) to group them. According to their results, the basic techniques (internal job posting, training and educational opportunities, induction) were used most often. They think in accordance with Baruch and Peiperl that these are the most popular techniques because they are easy to use and require only a moderate level of organizational contribution. On the other hand, the most consistently favoured techniques (by the employees) were training/educational opportunities, career-planning workshops, personal development plans, induction and fast-track programs. It was an important result since these preferred solutions were not very extensively applied by the surveyed companies.

The research mentioned in the introduction part concluded that globally only 1/3 of the surveyed employees are satisfied with the career management solutions provided by their employers. This rate is only 15% in Hungary. (Kelly Services, 2014) Our paper is going to investigate only the organizational side of the topic so we will show the most commonly applied methods and their impacts on the organizational performance.

2. Research and results

2.1. The basic research data

Our investigation is based on the database of Cranfield Network (CRANET – Human Resource Management Research Network coordinated by Cranfield Business School, UK) from the 2014/16 round. The questionnaire used by the network has been applied for 25 years with minor changes. Among the more than 60 questions one is dealing with the extent of application of career management tools. The analysis and findings of this study were carried out based on the answer concerning this question.

There are 6481 responses from organizations in the research sample. The larger part (71%) of it comes from European respondents (the number of Hungarians is 273). Among the almost 30% respondents we can find American, Japanese, Russian, South African, Brazilian and Australian participants also who answered the questions. The surveyed organizations operate in the private, public or non-profit sector. The relevant sample considering our research topic consists of 5625 organizations, since we filtered out those respondents from the whole database who did not answer any of the questions in connection with usage of career management tools. The following results only refer to the filtered sample.

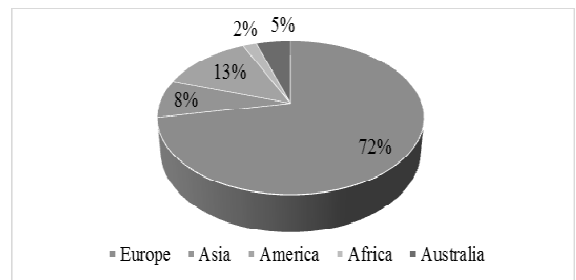


Figure 1 Distribution of the organizations by continents (n=5625)
Source: The authors

On Figure 1 we can see that the proportion of the European organizations is the highest in the relevant sample (72%), too. The American respondents represent 13% while the share of the responses from Asia, Africa and Australia is less than 10%. In this sample there are 268 (5%) Hungarian answers.

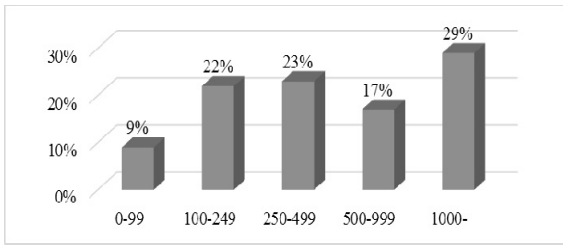


Figure 2 Distribution of the organizations by employees (n=5573)
Source: The authors

Figure 2 shows that 1/3 of the respondents employ less than 250 people. It means that these participants belong to the small and medium sized companies based on the number of employees. The highest proportion (69%) of the respondents came from the large companies employing more than 250 workers.

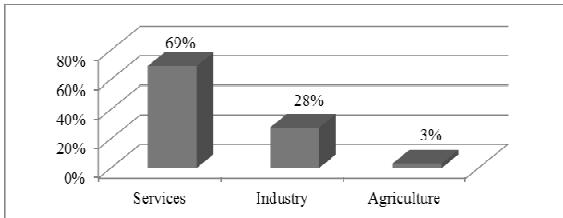


Figure 3 Distribution of the organizations by sectors (n=5362)
Source: The authors

The distribution of the respondents by sector is represented on Figure 3. The larger part (69%) of the participants operate in the service sector, 28% come from the industry sector, while only 3% work in agriculture. This is not a surprising fact since most of the surveyed organizations come from developed countries where the service sector is the dominant.

2.2. The most commonly used tools for career development

After description of the basic characteristics of the sample we present the application of career management tools by the respondents. Table 1 represents to what extent the respondents use each of the career management tools.

Table 1 The scope of application career management tools

Tools used for career management	n	Mean	Std. deviation
Training on-the-job	5404	2.61*	1.287
Participation in project team work	5530	2.15	1.290
Special tasks	5508	1.67	1.302
Projects to stimulate learning	5510	1.66	1.314
Mentoring	5551	1.56	1.314
Coaching	5536	1.55	1.283
Succession plans	5529	1.38	1.303
Computer bases packages/ e-learning	5527	1.37	1.356
“High flier” schemes/ High potentials	5513	1.24	1.383
Formal career plans	5515	1.21	1.260
Formal networking schemes	5491	1.11	1.192
Planned job rotation	5520	1.00	1.140
International work assignments	5506	0.87	1.185
Development centres	5331	0.77	1.169

* Where 0 = not at all, 4 = very widely used

Source: The authors

As we can see in Table 1 the most frequently applied method used for career management is on-the-job training (2.61). Its modus is 4, meaning that most of the organizations are using it very widely. The second popular tool is participation in project team work (2.15), whose modus is 3, so a larger part of the respondents apply it to a great extent. The third one is special tasks (1.67), whose modus is 2, which means that most of the participants use it to a moderate extent. Further favoured techniques are projects to stimulate learning (1.66), mentoring (1.56) and coaching (1.55). These and the other tools have a modus with value of 0, so most of the organizations do not use them. Furthermore we found that talent programs (1.24) are not really frequent among the respondents.

To compare our results with the outcomes of the literature review – most popular tools were: job postings, formal education, performance appraisal for career planning, career counselling, career reviews, informal mentors and career-path information – we can highlight some similarities and also some differences. The differences can be explained once that the investigated tools are not the same in our and the earlier mentioned studies, twice most of the previous examinations are older ones except Lewis and Arnold’s (2012) research,

so the techniques could have changed over time. We found that training and education is still a popular tool for career management. Although the Cranet questionnaire does not contain performance appraisal as a career management technique but there is a question which examines whether the surveyed organizations use the results of performance measurement for career moves decisions. According to the 74% of the valid answers they utilize these outcomes. So we can conclude that most organizations still apply the results of the performance appraisal, too. The mentoring activity is also still popular among the respondents. However, formal career plans are rarely used. We do not have information about internal job postings. Our survey seems to contradict the following finding of the literature: while earlier those career management tools were popular which could be carried out easily, based on the new results, we can see that those solutions are also common which require more effort from the organizations – like project work and special task.

We have to note that the averages do not represent so high values which can be interpreted because either the respondent organizations do not care about career management, or just concentrate on the usage of some tools, or they apply other techniques which were not listed in the questionnaire – like job enrichment or career workshops.

2.3. Career management indicators

The further part of our paper focuses on those organizations which use career development tools (considering frequency they indicated at least one for this question, so they use career management techniques at least to a small extent.) To investigate these respondents we created two career management indicators, which are intended to designate the number of different career development tools used by the respondents. These indicators are the following:

- *comprehensive use of career management tools (CCMT),*
- *focus-used career management tools (FCMT).*

2.3.1. Indicator for comprehensive use of career management tools (CCMT)

The indicator of comprehensive use of career management tools (CCMT) expresses the number of answers by a respondent with at least the value of one among the fourteen examined career development tools. Thus, they use the given tool at

least rarely, so the indicator can have a value between 0 and 14. The value is 0 if the respondent does not use any of the tools at all and it is 14 if the respondent uses all tools at least rarely. Figure 4 presents the percentage distribution of the value of the examined indicator.

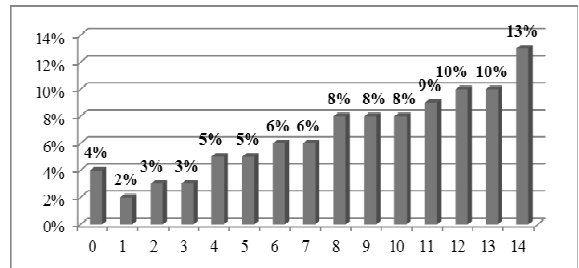


Figure 4 Breakdown of the CCMT indicator (n=5625)
Source: The authors

It can be concluded that the highest proportion (13%) of the examined organizations answered that – if only to a small extent but – they use all of the tools indicated in the questionnaire. 4% use none of the techniques. It can be observed on the figure that it is typical practice that respondents apply rather more tools (8-14) than just one, two or three methods.

2.3.2. Indicator for focus-used career management tools (FCMT)

The purpose of the indicator of focus-used career management tools’ (FCMT) is to identify the practice of respondents who frequently apply career management tools. Thus, it shows the number of answers given by a surveyed respondent with at least the value of three among the fourteen examined career development tools. In other words, it shows the tools that are used regularly or for a wider group of employees. This indicator can also have a value between 0 and 14. The value is 0 if the respondent does not use any tools regularly and it is 14 if the respondent uses all tools regularly or especially frequently. The figure 5 represents the percentage distribution of the value of this indicator.

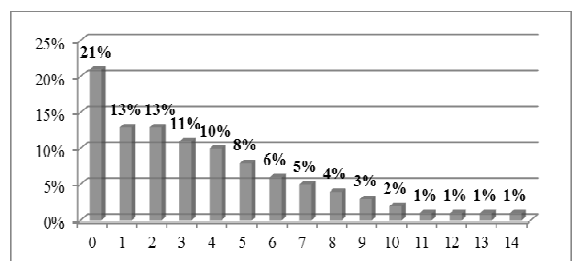


Figure 5 Breakdown of the FCMT indicator (n=5625)
Source: The authors

The results concerning the focused indicator indicate the opposite trend of the previous index since the participants use only few career management tools to a great (or a very great) extent. The higher the number of the implemented tools is, the lower the rate of the respondents implementing them to a great extent is. 21% of respondents stated that they do not apply any of the techniques to a great extent. However, we can see that half of the organizations are using several tools (1-2-3-4-5) to a great extent. These tools are the same which are the most popular in general; however, they have a bit different average values: on-the-job training (2.85), participation in project team work (2.19), special tasks (1.63), projects to stimulate learning (1.56), mentoring (1,46) and coaching (1.43).

2.4. The use of career management tools and organizational performance

The aim of the further analysis is to determine whether we can show any connection between the degree of implementation of career management tools and organizational performance. For this purpose besides the CCMT index we had to consider the scale expressing the relation between the organizational revenues and costs, the relative value of profitability (compared to the competitors) and relative values of productivity level (compared to the competitors). Since these three organizational indicators were measured only on an ordinal scale, we had to test the independence with one way analysis of variance (ANOVA), whose results are illustrated in Table 2.

Table 2 The averages of CCMT index by different levels of gross revenue, profitability and productivity

Gross revenue	n	CCMT average	Profitability (compared to the competitors)	n	CCMT average	Productivity (compared to the competitors)	n	CCMT average
So low as to produce large losses	113	8.34	Poor or at the low end of the industry	105	7.57	Poor or at the low end of the industry	47	9.43
Insufficient to cover costs	359	8.28	Below average	510	8.69	Below average	315	8.33
Enough to break even	584	8.07	Average or equal to the competition	1663	8.78	Average or equal to the competition	1637	8.56
Sufficient to make a small profit	1609	9.15	Better than average	1598	9.52	Better than average	2019	9.47

Well in excess of costs	1399	9.96	Superior	742	9.70	Superior	990	9.45
Total	4064	9.17	Total	4618	9.15	Total	5008	9.10

Source: The authors

Table 2 shows some details from the one way ANOVA. We have to note that p-values for the expected values for testing conformity in each case are less than 0.01. Based on the results – level of significance (p1, p2, p3=0,00) and the F values (F1=31,867, F2=17,088, F3=17,408) – we can conclude that there is significant relationship between the organizational performance and usage of career management tools. Unfortunately, because of the limits of the research we do not have opportunity to explore the cause-effect relationships, so we cannot prove that:

- *organizations applying career management solutions more commonly are reaching higher performance, or*
- *well-performing organizations are using more career tools or not.*

Then the next step was to discover whether there is a “recipe for success”, i.e. whether we can find differences between the types of career development tools used by the better or weaker performing respondents. In this respect our findings are contradicting with our basic assumptions. Namely, the applied techniques are the same in all types of performers, and these are as follows:

- *On-the-job training*
- *Participation in project team work*
- *Special tasks*
- *Projects to stimulate learning*
- *Mentoring*
- *Coaching*

One interesting finding in this respect is that the better performing participants prefer coaching to mentoring – but we have to note that the difference in the averages is really small in the case of these two solutions. Furthermore, we found that there are differences in the averages of the career tools usage among the better or weaker performing organizations. The better companies use these techniques to a greater extent, while the weaker use them to a smaller extent.

As a conclusion we can state that the same career management techniques are popular among

the companies at the top and at the bottom level of performance. There are differences just in the averages of application.

Conclusion

Our study presented that the organizations that participated in Cranet survey 2014/16 are using certain career management tools more commonly to help the career development of their employees. Based on our results we could prove the relationship between the extent of using career tools and the organizational performance, but we could not show its directions partly because of the limits of the survey.

We cannot state that if more career management techniques are applied, the better results can be reached. Since there is no difference between the better or weaker performing companies concerning the type and number of applied tools. All of them use the same solutions which are:

- *On-the-job training*
- *Participation in project team work*
- *Special tasks*
- *Projects to stimulate learning*
- *Mentoring*
- *Coaching*

We found that they apply them to different extents: the better companies use these techniques to a greater extent while the underperformers choose them to a smaller extent.

To compare our results with the outcomes of the literature, we found that training, development and mentoring are still popular tools for career management. Most organizations still apply the results of performance measurement for underlying the career moves decisions.

Our finding appears to contradict with the results of the literature, indicating that the popularity of the career management tools are in line with their usage. Namely the most popular is the more easily applicable. Based on our results, we can state that solutions requiring more effort nowadays are also popular, e.g. project work or special task.

To summarize our findings, we can state that there is a relationship between the frequency of the usage of career development tools and organizational performance, but such a connection cannot be proved between the type of the tool and the level of performance. We have to note that the averages do not represent such high values which can be interpreted either the respondent organiza-

tions do not care about career management, or just concentrate on the usage of some tools, or they apply other techniques which were not listed in the questionnaire – like job enrichment or career workshops.

Finally we think that organizations should consider paying more attention to the organizational career development practice, because the employees would require it – as we could see at the beginning of our paper. It is not necessary to build up a complex career management system, but it could be useful if the employers applied only several methods, but consciously. **SM**

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