



Impact of Career Development on Employee Satisfaction in Private Banking Sector Karachi

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ABSTRACT

Purpose - This study aims to determine the relationship between career development opportunities available to the employees and their job satisfaction. The study is focusing on private banks in Karachi.

Methodology/Sample - For this paper, survey was conducted by using structured questionnaire that were administered through e-mail and by distributing to five hundred respondents from five private Banks situated in Karachi. Hypothesis testing has been done by use of 'Chi-Square test'. Sample size for the study is 395 and the sampling procedure used is convenience based.

Findings - The study determined that there is positive relationship between career development and employee job satisfaction in banking sector. Employees are satisfied with career development activities that are offered at their organizations. Corporate world has become more competitive hence employees have become more conscious to career development.

Practical Implications - The findings of the research is beneficial for management of banking sector to design career development programs in such a way that increase the job satisfaction and promote work environment among employees in Pakistan.

Research Limitations - Data confidentiality policy of organizations, time constraint and unavailability of concerned personnel at the time of interviews were limitations in some cases while gathering data.

Keywords: Employee Job Satisfaction, career development, career planning.

Jel Classification: M12, M14, O15

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1. INTRODUCTION

In this today's more competitive business world, it is not only important for the organizations to earn profit but it has become most important to satisfy competitive employees. Retention of employees is not so easy, until an organization provide them with intrinsic/extrinsic rewards and opportunities for career progression. This can be done through career counseling and goal setting, so that employees can understand their abilities and take correct action plans to fulfill their career goals. One must be aware of his development goals to plan accordingly. For this there should be a meeting with the supervisors and managers to engage in self assessment to articulate your goals and developmental needs and setting your development plan as career development plan is first step and a road map to develop your career. Career development planning is important for both the individuals and for the organization because it is not possible to plan for the career without identifying the needs of organization and competencies of employees. So organization's needs cannot be satisfied without satisfying individual needs. (Lingham, 2000).

There are some techniques or procedures for career development planning like, career counseling, personal development planning, training and management development, mentoring. It is a way to provide complementing learning on the job and acquiring benefit from the experienced managers for the particular skills. Mentors provide advice to their allocated persons regarding administrative and technical problems that people meet, and necessary knowledge and skills to overcome those problems. Career planning is an ongoing process where employees explore their abilities, plan accordingly and then create work success and achieve their goals. Career development involves being aware of personal goals, values, organizational goals and it involves continuously learning new things , applying new knowledge and taking advantage of opportunities and also taking risks in order to make your organization more effective and productive and also achieving personal and organizational goals. The purpose of career development is to enhance employees' current performance, take advantage of future jobs and to fulfill their career goals.

For career development actions employees, managers and organization are involved. Employees decide what they want from their career, what is their objective, managers then identify their knowledge, skills and abilities so that they can train them accordingly, help them in identifying short term and long term goals. Organizations provide them time, benefits and funds according to their requirement, support them for their goals and use knowledge, skills and abilities of each employee to achieve organizational goals (Nameroff, 2009). Career development is directly linked to the satisfaction of employee in a way that employees feel value from their supervisors and organization as their goals are being focused and achieved, they get recognition because along with their own goals organizational goals are also being satisfied. So employees become more satisfied with their job and would never want to leave the organization and also organization wants to retain its golden employees to achieve its objectives and long term corporate goals. That's why organization should have to invest in ongoing employee career development programs to make both employee as well as organization successful (Duggan, 2011).

The study is of great significance as it attempts to examine the impact of career development on employee satisfaction in the banking sector. The study also suggests how employer can advantage by designing employee career development plans accordingly to increase job satisfaction. Also, it would be beneficial for further researches; as it could be helpful for the researchers as a source of literature.

1.1. Hypothesis

H_0 - Career development does not have any significant impact on employees' job satisfaction.

2. LITERATURE REVIEW

Umar and Akram (2011) analyzed the relationship between the impact of variables (supervisor support, career development, work environment and work life balance) on employee satisfaction in BPO (Business Process Outsourcing) industry in Pakistan. It was mentioned that BPO is one of the booming sectors of Pakistan industry and growing rapidly in spite of this it is facing problems of skill shortages, attrition rate, employee retention etc. so, to find out the impact of variables on employee satisfaction the data was resulted significant impact on employee satisfaction it means if all the variables would be applied positively in the BPO organization than there would be high satisfaction rate.

Shelton (2001) conducted research to analyze the impact of employee development programs on employee retention and job satisfaction with regard to business success. It was explained that human resource is key asset for any organization so to make any organization successful it is important to satisfy their employees in the organization. It is not only enough to fulfill their financial needs, their satisfaction matters a lot to make them happy, so organizations should have to invest in their employees as well as career development programs Researcher analyzed that raining and development increases employee satisfaction and interest to retain in the organization. It was analyzed that there is significant positive relationship between training perception and effective commitment, and significant negative relationship between effective commitments with employee turnover. It means that availability of training and development programs shows care from the organizations for their employees, giving opportunity to their employees to learn and develop their career goals (Ashar, et al. (2013).

Walia and Bajaj (2012) examined the impact of HRM practices on employee satisfaction among the employees of the branches of ICIC Bank, AXIS Bank and HDFC bank in the Haryana state. It was concluded that retention is very important and could be done through the employee job satisfaction, better policies of the organization like, work life balance, supervisor support, proper incentives, benefit policies , good working conditions and opportunities to providing them training and development to enhance their skills. It was also analyzed from the responses that career development and working environment show the highest relationship with the satisfaction that means employees want to work at that organization where they get support from the peers and colleagues and development of their careers.

Shani and Divyapriya (2013) conducted a study on the relationship between knowledge management and career development among IT professionals. The ideas were that, to meet the new challenges and retaining good employees, organizations should have to develop the knowledge management practices to enhance awareness regarding career development, sharing knowledge regarding career plans, career counseling, from the very beginning of their careers. It was found out that lack of training and lack of knowledge sharing is the main cultural barrier among knowledge management, and information overloaded is a big problem for the retention of knowledge. So, they find out that most important factors that are related to the knowledge management and career development are Promotion and professional specialization that can be affected. It was concluded that for IT professional's impact of knowledge management is important to develop the career of employees. It was recommended that to enhance the knowledge it is important to share latest knowledge, providing monetary and non monetary rewards, quality of knowledge should be given with support and appreciation to enhance their career development efforts.

3. RESEARCH METHOD

It is a cross sectional study in which research type is quantitative as the data was quantified and tested with the help of SPSS. Survey was conducted in five private banks of Karachi to analyze the relationship of one independent factor that is career development and one dependent factor that is employees' job satisfaction. The population for this study consisted of employees categorized into executives, credit officers and general banking officers. The names of the banks are not disclosed due confidentiality of data. According to Sekaran (2001), a response rate of thirty percent is acceptable for most studies.

The response rate for this study was almost 80 percent. Total population of this study is unknown so a non probability sampling technique was adopted in which the convenience sampling technique was used. Questionnaires were distributed to total of 500 employees (100 in each bank). Questionnaires were distributed personally and through email. Out of 500 questionnaires 395 percent got duly filled and returned back. The questionnaire was based on five points likert scale ranging from 1= strongly disagree to 5= strongly agree. It comprised of two parts, one was measuring socio-demographic characteristics and other section consisted of survey questions.

4. DATA ANALYSIS

Quantitative approach was used to analyze the data through Statistical Package for the Social Sciences (SPSS), using bar chart, pie chart and chi-square table. Bar chart and pie chart were used to show the respondent's rate in percent whereas, chi-square table was used to analyze and compare the dependency of two factors under study.

It was analyzed that 23% strongly agreed that supervisors in the banks discuss career development plans with employees, 50% employees agreed, 13% was neutral with the statement and 11% employees disagreed that no any developmental plan is being discussed within banks with their supervisors. 41% of respondents agreed that they have career development programs in their banks such as mentoring and counseling development awareness programs. 33% of respondents strongly agreed, 14% were of neutral opinion, 7 % disagreed and 5% of respondents strongly disagreed to it.

It is evident from Fig 3 that 51% of respondents agreed that they are given opportunity to be part of task groups and assignments outside their core job responsibilities, 21% of the respondents strongly agreed, 11% employees were neutral with the statement, 16% disagreed, while 1% strongly disagreed with the statement saying that they don't have any career involvement within their organization.

Table 1:

Hypothesis: Mentoring and counseling programs do not associate with employees' job satisfaction.

	Mentoring and counseling programs.			Total
	Disagree	Agree	Strongly Agree	
Disagree	69	11	11	91
Agree	38	41	38	117
Strongly Agree	54	66	67	187
Total	161	118	116	395

Employees' job satisfaction

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	161.279 ^a	4	.007
Likelihood Ratio	128.743	4	.006
Linear-by-Linear Association	107.228	4	.007
N of Valid Cases	395		

Mentoring and counseling programs have positive impact on employees' job satisfaction because it has been analyzed from chi-square test that there is association between mentoring/ counseling programs and employees' job satisfaction as chi-square value is 0.007 that is less than 0.05, and hence we can reject the null hypothesis.

Table 2:

Hypothesis: Empowerment by supervisors to take responsibility does not associate the fairness and respect for employees.

	Empowerment by supervisors to take responsibility and authority.			Total
	Disagree	Agree	Strongly Agree	
Disagree	76	24	13	113
Agree	18	61	84	163
Strongly Agree	18	42	59	119
Total	112	127	156	395

Employees feel fairness and respect.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	122.305 ^a	4	0.001
Likelihood Ratio	120.645	4	0.002
Linear-by-Linear Association	68.949	4	0.002
N of Valid Cases	395		

It has been analyzed from chi-square test that empowerment has significant impact on the fairness and respect for their employees because employees feel them self valuable for their organization. We can reject the null hypothesis as chi-square value is 0.001 that is less than 0.05.

Table 3:

Hypothesis: Opportunities for foreign assignments do not associate with employees' job satisfaction

	opportunities for foreign assignments and tasks			Total
	Disagree	Agree	Strongly Agree	
Disagree	69	11	11	91
Agree	38	41	38	117
Strongly Agree	54	66	67	187
Total	161	118	116	395

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.713 ^a	4	0.005
Likelihood Ratio	61.147	4	0.004
Linear-by-Linear Association	38.204	4	0.005
N of Valid Cases	395		

It has been analyzed from Chi-Square test that, Organizations that give opportunities to their employees for doing tasks other than their own particular work and foreign assignment then their employees feel as satisfied from their career development programs because they are getting other opportunities to develop their skills and future career. We reject the null hypothesis as Chi-Square value is 0.005 that is less than 0.05.

Table: 4
Hypothesis: Organizational open environment does not associate to share the employees' ideas.

	Organizational Open environment			Total
	Disagree	Agree	Strongly Agree	
Disagree	69	11	11	91
Agree	38	41	38	117
Strongly Agree	54	66	67	187
Total	161	118	116	395

Employees can easily share their ideas

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.713 ^a	4	0.007
Likelihood Ratio	61.147	4	0.006
Linear-by-Linear Association	38.204	4	0.007
N of Valid Cases	395		

There is significant relationship between organizational open environment and sharing of employees' ideas. If organizations create open environment then there would be less distance between employees and management, they can easily share their ideas and learn a lot from each other and if management welcomes the ideas coming from employees then employees feel satisfied from their job. It has been tested through chi-square test which shows a value of 0.007 that is less than 0.05 hence we can reject null hypothesis.

5. DISCUSSION

The result are aligned with Ahmad & Bakar, 2003; Thanacoody, & Hui (2011) that perceived availability of career development programs to their employees is positively associated with effective commitment, because effective commitment will only be done when employees will be satisfied with their job, according to employees' perspective, when they are being given chances to develop their career then their commitment with that organization would be higher.

The findings contradicts with those of Nyamekye and Faustina (2012) which says that employee do not receive support from supervisors for career development planning and it is not being practiced in their organization, which is having autocratic style of management. But even though respondents rated these strategies as most important like supervisory style, organizational culture of openness and trust and also career development program.

When employees' intention to leave the organization was analyzed then respondents rated career development as most important factor that can also be main cause of satisfaction of employees. The findings of this study support Shelton (2001) that employees' intention to leave the organization can be lack of career development, because employees don't want to stay at one job for life time. So majority of employees agreed to leave the organization without climbing the ladder of career development. Employees of private banking sector in Karachi support the culture that is in favor of career development activities in their organization and support democratic style of management in which they can easily get numerous mentoring and counseling

programs. They agreed that with the help of these activities employee can contribute more to the organization.

The research findings align with that of Umer (2011), when organizations provide opportunities for growth and development such as different courses and educational sponsorships then employees are more satisfied with their jobs. Also when employees are trained they perform better and get appreciations for the work done that ultimately leads to job satisfaction. The findings also support Walia & Bajaj (2012) that there should be continuous mentoring by seniors. According to employees, activities like mentoring by seniors should not be decreased as working experience is going to be increased. Mentoring/ coaching is required at any type or level of job regardless of work experience.

6. CONCLUSION

It is couched that employees' job satisfaction is dependent on career development opportunities in their respective organizations in the banking sector. It can be generally concluded that banking sector in Karachi is providing career development opportunities. Employees agreed they they may leave their organization if they feel lack of career development activities. Private Banking sectors are practicing all career development activities as they want to increase employee's job satisfaction which ultimately leads to higher work efficiency and productivity. The study finds high efforts by management to attain satisfy and attract existed employees.

The importance of this study can be viewed by two dimensions: theoretical contribution and practical implications. Theoretically: this study fills gap in the literature: that is exploring impact of career development on workforce satisfaction in private banks in Karachi. Therefore the findings of this study would be added to the literature as it could help to the researchers for future studies. Practically: this study would help the policy makers in the banking sector to design career development programs to increase employee job satisfaction.

Given the cost implication and destructive tendencies of turnover to organizations it is important to identify the intention to leave the organization. So that satisfaction strategies can be suggested to improve the organizations in order to satisfy employees. Majority of employees were in favor regarding mentoring, counseling and coaching programs as they will undergo these activities they would be able to know and also discuss regarding their careers to enhance. And their steps to move forward would be easy throughout their career ladder. Hence to increase satisfaction, companies should focus on employee's career progression. There should be some career development programs in which management should discuss employee's career plans with them.

Future research should include larger sample size to analyze the in-depth relationship. More cities must be added to increase scope of the study. Studies could be conducted on public banks to study if relationship differs in different setting. Researcher used quantitative research future researchers can take interviews to investigate the relationship further.

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