

Career Management and Organizational Performance: Insights from Managers in the Albanian Service Industry

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Abstract

Career achievement is the result of active career management efforts, which encompass continuous training, professional development initiatives, and motivation. Through an examination of literature and hands-on research, the paper emphasizes how effective career management can drive professional advancement and organizational results. Moreover, it emphasizes the crucial role of motivation, training, and professional development in career development. The paper aims to analyse the perception of managers from big companies in the Albanian service industry, regarding the effects that career management plays on organizational performance, as well analyse some factors that might influence career development. As a country which shifted from a centralised economy to an open market economy, human resources management and career management as one its components, are relatively new concepts, therefore research in this field is also limited. Through the adoption of qualitative research methods, rich insights were gained into the complex dynamics at play in the Albanian business context.

Keywords: career management, career development, training, professional development, organizational performance, human resources management

INTRODUCTION

In today's rapidly evolving global economy, individuals are confronted with unprecedented challenges and opportunities in managing their careers. Traditional notions of linear career paths, have given way to a landscape characterized by volatility, uncertainty, complexity, and ambiguity. Amidst this backdrop, the importance of proactive career management cannot be overstated. Central to this endeavour are training, professional development, and motivation, which collectively shape individuals' abilities to adapt, grow, and thrive in their chosen fields.

Arthur et al. (1989) and Retkowsky et al. (2023) define career as “the unfolding sequence of a person's work experiences over time.” Professionals have long been engaged in contemplating the trajectory of their careers, investing efforts that differ based on personal objectives, age, circumstances, available opportunities, and other factors. Career progression, viewed as a process of enhancing professional development over a defined period, entails skill development aimed at elevating individual competencies and professional significance. Businesses serve as pivotal

entities for professional growth and advancement, serving as intersections between personal and professional spheres. Given its nuanced nature, career management demands careful attention, as individuals strive not only for material rewards but also for personal fulfilment and satisfaction.

Considering technological and economic changes in the world, the nature of careers or the way people pursue their careers has changed (Wesarat et al., 2014; Cappellen & Janssens, 2010; Sullivan et al., 1998). The evolving nature of work environments presents individuals with growing complications in their career paths. Those who struggle to adjust to the complexities of this changing career landscape often find it challenging to achieve success in their professional endeavours. Greenhaus et al. (2010) defined career self-management as “a process by which individuals develop, implement, and monitor career goals and strategies.” Individuals who focus on professional goals, who prefer a long-term career development and who aim to be successful in their career, under normal organizational conditions succeed in this goal (Nie et al., 2012).

In order to attain and sustain significant competitive edges over time, it is imperative for all businesses to enhance their organizational management practices. Stakeholders should not be understood to only include business shareholders, but also employees and society at large (Langenhan et al., 2013). One of the organisation’s most worthwhile resources is human capital, which enhances results and continues to give it a challenging edge (Hosen et al., 2018; Wang et al., 2020; Rubel et al., 2021; Camilleri, 2021; Hosen et al. 2024). Human resources management (HRM) is the function which specifically provides valid contribution to this respect. Career management issues, as part of HRM, have been extensively studied by different researchers. An effective human resource management leads to continuous organizational competitive advantages (Wesarat et al., 2014; Herington et al., 2013; Zhao and Du, 2012, Wang and Shyu, 2008; Stavrou-Costea, 2002). Organizations can promote healthy workplace practices, positive and flexible workplace environments, and other health, career and personal benefits to employees to attract and retain them (Tola, 2015).

Companies with a strategic vision for the future, invest to retain their talented employees, using career development as a fruitful mechanism for long term sustainability. Most companies value qualified employees and do their best to retain them for long-term employment. According to Appelbaum et al., (2002) career management ensures the long-term availability of qualified and competent employees to achieve business goals.

Effective career management plays a crucial role in attaining the objectives for both individuals and organizations. According to Birasnav et al., (2010) leadership contributes on perceiving human capital benefits through employees’ career advancement, salary progression, and performance. They have potential to contribute significantly on achieving organizational goals, and so they advance their careers and receive monetary benefits (Birasnav et al., 2010; Goler, 2003).

Organizations and their HR policies strongly contribute to the career development of their employees, through design and implementation of career management programs, however the employees themselves contribute to their own career development. Career self-management thus denotes the behaviour that individuals apply to navigate their careers (Wilhelm & Hirschi, 2019; Retkowsky et al., 2023). The challenges in career management brought to the forefront by the emerging realities of globalization have become an unavoidable aspect that employers must acknowledge and embrace. These highly demanding issues, which affect both employers

and employees, are influenced by a variety of factors, including: constant competition in the production and labor market; rapid technological developments; globalization of the economy; requirements for equal employment opportunities; and, the pressure of employees for professional achievements (Sullivan, 1999; Bryant & Yarnold, 1995).

In this evolving landscape, individuals are required to adopt a proactive stance towards managing their careers, seizing opportune moments and the appropriate avenues to achieve their career aspirations. Career management is influenced by internal policies that organizations develop in order to achieve the well desired effect. Such policies would include training, as a foundation for skill acquisition and adaptability; and motivation as a catalyst for career achievement; alongside professional development and cultivating of expertise and leadership.

Motivation serves as the driving force behind individuals' pursuit of career success. Intrinsic motivation, rooted in personal satisfaction and fulfilment, fuels enduring commitment and stability in the face of adversity. Extrinsic motivators such as recognition, advancement opportunities, and financial rewards also play a significant role in shaping individuals' career aspirations and behaviours. Moreover, the alignment of personal values and organizational goals enhances job satisfaction and engagement, contributing to sustained performance and career satisfaction.

Training serves as the basis upon which individuals build their professional competencies and adaptability. Whether through formal education, workshops, seminars, or on-the-job experiences, training equips individuals with the knowledge and skills necessary to excel in their roles. Moreover, in an era marked by technological disruption and digital transformation, continuous learning has become imperative. By embracing lifelong learning attitudes and actively seeking out opportunities to expand their skill sets, individuals can future-proof their careers and remain competitive in the job market.

Professional Development complements training by fostering the cultivation of specialized expertise and leadership capacities. Beyond acquiring technical proficiencies, individuals must develop also soft skills such as communication, critical thinking, and emotional intelligence. Additionally, exposure to diverse experiences, mentorship programs, and networking opportunities can broaden individuals' perspectives and accelerate their career progression. By investing in professional development initiatives, organizations demonstrate their commitment to nurturing talent and fostering a culture of continuous growth. If the training programs improve the actual performance of an employee (Dessler, 2012), the professional development programs prioritize career advancement and are designed for the long term, targeting employees deemed to possess potential and in whom the organization has confidence.

“Since Albania has transitioned from a 46 years old centralised economy, towards an open market economy in the early nineties, the human resources management, in the view of a competitive market was a novelty and it took time for the private sector to understand somehow the role of HRM in the organization and to consider such investment. However, HRM practices in the private sector are still new and the necessity and benefits of having a properly functioning HR department, policies and practices, are still not fully understood and implemented” (Tola, 2021). As human resources management is relatively new to the Albanian private sector, often there is a perception that HR practices are not effective, therefore the paper aims to contribute to shedding some light in the reality of the big companies in Albania. The paper aims to raise awareness of the higher level managers, as well as entrepreneurs for the importance of proper career management as an instrument to motivate employees to

provide better results and therefore contribute to the improvement of organizational success. The study has taken into sample only big companies in the service industry in order to get a perception from those companies that do have HR policies and practices in place. However, the situation may differ in smaller companies or other industries where HR policies and practices might not be properly introduced and functioning.

METHODOLOGY

Two research questions are raised in order to focus the analysis.

- 1. How is the perception of business managers of big companies operating in the service industry in Albania, regarding the role of motivation, training, and professional development influencing career management?*
- 2. What is the perceived impact of career development factors (motivation, training, and professional development) into organizational performance?*

The paper aims to grasp the perception of high level managers in big companies, in the service industry in Albania, in terms of factors that influence career development, and the impact that career development and those factors play on organizational performance.

For the study, both primary and secondary research has been used. The secondary research is done through literature review, while the primary research is done through collection of data using structured questionnaires, with multiple choice questions, in Likert scale, as well as some open ended questions. In order to avoid any ambiguity, the questionnaire was tested and revised, before it was finalised and distributed for data collection. The data were entered and analysed using SPSS. The questionnaire was filled out from 120 respondents working in the position of higher management from 30 big companies, with over 250 employees, operating in the service industry. The purpose for selecting big companies was to make sure that the respondents work in companies which have a functioning HR with proper policies and practices in place. These would be the proper target to test whether career management is perceived as highly important.

For the purpose of the analysis, Cronbach Alpha, Pearson's r correlation analysis, and Anova were used. Cronbach Alpha was performed to ensure the reliability of the questionnaire. According to Churchill (1979) in order for the questionnaire construct to be reliable the value of Cronbach Alpha should be above 0.7 and closer to 1. The result for our questionnaire resulted in the value of 0.838 therefore it validates the reliability of the questionnaire as an instrument to collect data at different times and with different samples.

Although the questionnaire and the type of questions covered more aspects of career management and human resources, for the purpose of this paper we focus only on motivation, training, and professional development as key variables.

RESULTS AND DISCUSSION

This chapter outlines the results from the performed analysis regarding the perceptions of business managers in big companies operating in the service industry in Albania, regarding the role of motivation, training, and professional development into career management, as well as the perceived impact of career management and these factors on organizational performance. The perception of the managers is valuable as they have

a crucial role, alongside the human resource department to motivate their employees and decide on the training and professional development opportunities for them, and as a result such decisions impact their organization performance.

For the primary research, 128 questionnaires were collected however only 120 resulted to be valid for further analysis. Multiple questions were answered using Likert scale from 1 to 5. Questions were related to practices on career management; individual plans for career development; company support for the staff training and professional development; career consultations for employees; employee promotion; motivational opportunities, etc.

From the collected answers, the respondents value the career management practices in their companies with an average result of 3.723 and Sd=0.823. About 40% of the respondents value their career development practices at a level between 3 and 4, while only 32% with a level between 4 and 5.

Research question 1: “How is the perception of business managers of big companies operating in the service industry in Albania, regarding the role of motivation, training, and professional development influencing career management?”

In order to provide an answer to the first research question: the Pearson’s r correlation was performed using ‘career management’ as the dependent variable; motivation, training, and professional development as independent variables. The results of the test are shown in table 1.

Table 1: Pearson’s r correlation results

	Career management	Motivation	Training	Professional development
Career management	1			
Motivation	0.573**	1		
Training	0.514**	0.765**	1	
Professional development	0.468**	0.673**	0.725**	1

** Correlation is significant at a p value equal to 0.01

As we notice from the data provided in table 1, the Pearson’s correlation test shows positive correlation between the independent variables, “motivation, training, and professional development” and the dependent variable “career management”, therefore the perception of the managers is that the more focus is being placed from the companies on motivation, training, and professional development, the more they influence on career development of their employees.

Research question 2: “What is the perceived impact of career development factors (motivation, training, and professional development) into organizational performance?”

In order to provide an answer to this research question, an Anova test was performed. For the Anova test career development factors (motivation, training, and professional development) in the company got used as the independent variables and organizational performance as dependent variable. The average for the influence of motivation of the employees for better organizational performance resulted to be higher compared to the other two factors, therefore the question is raised whether motivation is considered having more impact into organizational performance compared to training, and professional development.

After performing the analysis of normality and homogeneity the Anova test was performed providing these results: $F(2,118)=9.723$ and $P=0.004$, $\eta^2 =0.23$. Given the p value is smaller than 0.05 we can conclude that the perceived impact of motivation to

the organizational performance results to be higher compared to the perceived effect of training and professional development, however, their effect remains significant. Therefore we can conclude that the managers who took part in this study are aware of the important role of career management in getting better results and better organizational performance. They are also aware that motivating employees, and investing in their training and professional development influences into managing better their careers and in return having a greater impact into achieving better organizational success.

CONCLUSIONS

Effective career management is essential for both individuals and organizations to thrive in today's dynamic and competitive landscape. Career management hinges upon a multifaceted approach encompassing training, professional development, and motivation. By investing in continuous learning, cultivating expertise, and nurturing motivation, individuals can develop pathways to career success and personal fulfilment. Moreover, organizations play a pivotal role in supporting employees' career aspirations through robust training programs, professional development initiatives, and a conducive work environment. Organizations that prioritize employee development and create a supportive work environment reap the benefits of improved talent retention, enhanced employee engagement, and sustained competitive advantage. As we navigate the challenges and opportunities of the future of work, proactive career management will remain a critical driver of success for individuals and organizations alike. By embracing these principles and strategies, individuals and organizations alike can navigate the complexities of the modern workplace.

The findings of the study highlight the significant role that motivation, training and professional development play in shaping career management practices within big companies in the service industry in Albania. Business managers emphasized the importance of fostering a motivated workforce and investing in continuous training and skill development to support employees' career growth and advancement. Moreover, they acknowledged the complex link between effective career management and organizational performance, recognizing that motivation has the higher effect on organizational performance. By prioritizing motivation, training, and career development initiatives, companies can create a supportive environment that fosters employee growth and engagement, ultimately driving organizational performance and competitiveness.

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