

Effect of Career Development on Employee Performance in Deloitte Limited, Kenya

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Abstract

Employee's academic attainment plays a big role in employee relationship and is of The importance placed on how employees are valued and rewarded can make a considerable impact on the effectiveness and productivity of staff within the organization and consequently the performance of the organization. Many organizations are suffering from high turnover rates and down falls because they do not apply non-monetary rewards that may only need little effort The current study aimed at determining the effect of career development on employee performance in Deloitte Limited, Kenya. The study adopted a descriptive survey research design by using quantitative research methods. The target population of this study comprised of 500 employees working at Deloitte Limited, Kenya. Out of this, 116 respondents formed the sample size and were selected using stratified random sampling technique. Data collection was carried out using structured questionnaires. The data was analyzed using descriptive and inferential statistics with the help of the Statistical Package for Social Sciences (SPSS). Descriptive statistics included percentages, means and standard deviations represented by way of tables and figures. Inferential statistics included correlation and regression analysis to measure the relationship between the study variables. The study established that career development had a positive and significant effect on employee performance. The results indicated that career development was positively and significantly associated with employee performance. Several aspects of career development were identified as key, that is, training programs, career guidance & mentorship and mobility programs. The study established that career development had a positive and significant effect on employee performance. It recommended that professional services firms should shift more effort on the aspects related to career development. The firms should specifically enhance training programs, career guidance & mentorship and mobility programs.

Keywords: *Career development, employee performance, Deloitte Limited*

1.0 Introduction

Employee performance is the single most important result of an employee's work (Ramos, Man, Mustafa & Ng, 2014). Performance is the work of quality and quantity achieved by an employee in performing his duties in accordance with responsibilities given to him (Mangkunegara, 2016), whereas according to Kasmir (2016) performance is the result of work and work behavior of a person in a period, usually one year later. It may be measured in terms of productivity, efficiency and quality of work.

Sutrisno (2012) explains the factors that affect performance are effectiveness and efficiency, authority and responsibility where each employee in the organization knows his rights and responsibilities to achieve organizational goals, work discipline and initiative which is related to thinking power, creativity in the form of ideas to plan something related to organizational goals. Moreover, employee productivity is needed in an organization to achieve the goals that have been determined. Work productivity is the most important in work, because it is the result of employee performance that can be used to measure the quality of work of employees. Employee productivity is very important for the organization because the forward or backward of an organization can be determined by productivity (Agustini, 2015).

According to Mangkunegara (2013), performance indicators include work quality which comprises of accuracy and thoroughness of one's work, work quantity, reliability and attitude, consisting of employee attitudes toward the company, as well as employee attitudes towards other employees in work and cooperation. The success of the organization depends on the performance of the employees of the organization concerned. Therefore, each work unit in an organization must assess its performance, so that the performance of human resources contained in units of an organization can be assessed objectively (Sutrisno, 2012).

Global organizations are becoming more responsive to their customers, reducing costs, and improving quality (Erbasi, 2012). An online survey by Adecco Malaysia (2015) shows that 44% of the respondents think that job satisfaction remains to be the key importance factor for being happy at work. Employee attitude and job performance are essential to the success of any organization, regardless big or small. Motivated, happy and committed employees are the productive employees (Coleman, 2014).

However, the motivation issue is still a hidden value for most organizations (Yusoff & Kian, 2013). Though most organizations in Kenya have offered rewards to employees, most of them believe in monetary rewards like pay increase, bonuses and money valued vultures as opposed to rewards like recognition and opportunities to contribute in decision making (Aktar, Sachu & Ali, 2012). Studies show that changes in work environment both directly and indirectly influence the performance and productivity of its employees (Mathias & Jackson, 2013). Job satisfaction and the employee reward system have been reported to have positive effects on the performance of employees. Similarly, Ahmed et al. (2015), in an assessment of non-financial motivation on employee productivity in the Ministry of Finance headquarters in Hargeisa Somaliland, found that working conditions, training and recognition all influence employee productivity. They recommend for the implementation of effective training opportunities for all employees at the Ministry of Finance to better their skills among other recommendations.

1.1 Problem Statement

According to Keiningham and Aksoy (2012), the long-term success of any company depends heavily upon the quality of its workers. The importance placed on how employees are valued and rewarded can make a considerable impact on the effectiveness and productivity of staff within the organization and consequently the performance of the organization. Many organizations are suffering from high turnover rates and down falls because they do not apply non-monetary rewards that may only need little effort (Aktar, Sachu & Ali, 2012). Despite organizations channeling resources to boost organizational performance, there is still unawareness on how employee performance could increase when leaders together with the Human Resources Teams use non-financial incentives, the link between these incentives and

employee performance as well as how they can be utilized effectively in the organization (Ngatia, 2014).

In a study conducted by ACCA on Talent Attraction and Retention in Larger Accounting Firms, 65% of the survey respondents indicated that they intend to leave their organizations within 3 years of joining. It also pointed out that employees were not well motivated due to lack of non-financial rewards and hence the high turnover. Respondents consistently underlined the challenge of maintaining work-life balance, especially with their heavy workloads aggravated by inadequate resource allocation, dissatisfactory work produced by the clients and deadlines that are perceived to be unreasonable which in turn affects their efficiency and productivity. Respondents were also not convinced that their efforts have been adequately recognized by senior management in the firms as discerned from the compensation packages and policy, openness, transparency and timeliness of communication and so on (ACCA, 2012). Other grievances cited were improved working conditions and lack of adequate support for career progression and training to ensure efficiency of their work.

Based on the above, it is evident that most organizations still apply the traditional rewards systems that were mainly monetary because they lack enough knowledge regarding how non-monetary rewards relate with employee performance, how these rewards can impact on the performance as well as organizational competitive advantage, and most importantly, how effective they can be if used in boosting employee performance in the workplace (Dzuaranin, 2014). For the industry to address these grievances, an understanding of employee's rewards is important. This research draws its relevance from these turbulent situations as a solution is sought to build a story and motivated workforce. Non-financial incentives are often used to close the gap between current performances and expected future performance. Employees may prefer other non-financial rewards and incentives for motivation at the workplace. Also, regardless of how widely financial incentives have been used in organizations, they discourage innovation and creativity at the workplace, which may be achieved by use of non-monetary incentives such as trainings and autonomy and independence of work. Deloitte Limited, Kenya like other organizations in the professional services sector is constraint with the problem of adopting non-financial incentives which has hampered productivity because it does not make the employee put in the extra effort in their work. If this problem continues, the performance of the employees is likely to dwindle and this could seriously affect the achievement of the goals and objectives of Deloitte Limited as well as lead to increased turnover.

Based on that and looking at the current economic situation, Deloitte would benefit greatly if they adopt non-financial forms of reward to appreciate staff for the effort and good work. Key incentives that this research will delve into include recognition and appreciation for a job well done to boost staff's confidence, career development and continuous training to build on competencies required, flexible working schedules to enable staff have a better work-life balance and focus on their health and employee independence and autonomy. A focus on these areas may help understand if it would be beneficial to adopt these incentives into their overall reward strategy to ensure stellar employee performance.

1.2 Objective of the Study

The aim of the study was to determine the effect of career development on employee performance in Deloitte Limited, Kenya.

2.0 Literature Review

2.1 Theoretical Framework

The Two-Factor theory by Fredrick Herzberg (1964), also referred to as the motivation-hygiene theory, has its exploration based on employee satisfaction in organizations. The theory proposes that hygiene and motivational factors are responsible for satisfaction and discontentment of employees. Factors for motivation are those aspects of the job that lead people to focus on performance in their work, and give staff the performance standards that are expected in the organization. Factors for motivation are those well thought out to have a direct relationship with the work done. (Carmines, Edward & Richard, 1999) The factors are inclusive of working atmosphere aspect, for example, supervisory practices for pay, policies of a company and other working conditions.

Herzberg (1964) discovered that factors that influence job satisfaction were dissimilar from those causing dissatisfaction. He came up with the theory in a bid to explain his results. In his study, he referred to the factors either causing satisfaction or dissatisfaction as factors of hygiene, and the usage of the term 'hygiene' was prompted by the fact that the factors for employee maintenance are usually meant to keep away employees from dissatisfaction, however, these factors are far away from providing satisfaction. Herzberg (1964) pointed out that accomplishment; the job itself, advancement, responsibility, recognition and growth are the strongest factors that lead to the satisfaction of employees, in turn leading to improved performance of employees.

However, Herzberg's (1964) pointed out that the policies of a company, supervision, the relationship of employees with their manager or supervisor, work environment, relationship with colleagues and the amount of salary leads to either the satisfaction or dissatisfaction of employees. Herzberg (1964) logically reasoned that since the factors accounting for satisfaction are dissimilar from those that cause dissatisfaction, the two types of feelings might not be explicitly considered as opposites of each another. Thus, the contrary of satisfaction can never be dissatisfaction; rather, the opposite is 'no satisfaction'. Therefore, the two-factor theory became established through a comprehensive investigation of the two conflicting factors, hence; Herzberg (1964) came up with term "the two-factor theory" or "the hygiene-motivation theory" (Hyun, 2009).

This theory relates to employee satisfaction which is a major determinant of employee performance. Therefore, it is predicted that in order for employers to continue satisfying employees and drive employee performance, they do need to consider hygiene factors once the bare minimum requirements for example a source of income have been met. This theory was applicable to the current study in that organizations must focus on providing their employees with motivators by using non-financial incentives to improve employee performance.

2.2 Empirical Review

In a study conducted by Mark and Nzulwa (2018), it was observed that career development programs contributed to 34.9% of employee performance. The study findings also revealed that there was a statistically significant positive relationship between employees training, career counseling, employee mentoring and career advancement on employee performance. The study therefore concluded that career development programs influence employee performance and thus recommends that NHIF should focus more on career development programs in enhancing their employee performance.

Ahmed (2015) study sought to establish the perceived relationship between career development and employee performance at the Nairobi County Government. The study findings revealed that career development practices such as coaching and mentoring have a great impact on employee performance as well as commitment. The study recommended that the County Government formulates appropriate and relevant career development policies to address the employees' training needs. It also examined the career development process and focus was on the techniques that can be successfully used by organizations to establish successful and concrete career development programs.

Kemboi (2014) also examined the effect of career development practices on employee retention at the Kenya Post Office Savings Bank. The study found out that the practices implemented and being practiced included career planning, guidance and counselling, training and coaching and mentorship which were geared towards employee retention. The findings of the study were that providing staff with career related guidance and development of a healthy self-concept among individuals improve relationships and team work across different levels. However, there is need for proper planning before establishing career development practices to avoid uncertainties such as non-beneficial trainings and inflexibility of employees.

As mentioned by Mayhew (2014) as cited in Demand Media, when employees lack the training necessary to become more productive, their performance suffers and they will either leave off their own volition for jobs that provide training. Also, according to SHRM (2016), employees indicated that they want chances to demonstrate their talents. This trend was especially visible when job mobility and growth were static; however, even as employment opportunities expand, employees are noting the importance of fine-tuning their expertise.

3.0 Research Methodology

The study adopted a descriptive survey research design by using quantitative research methods. The target population of this study comprised of 500 employees working at Deloitte Limited, Kenya. Out of this, 116 respondents formed the sample size and were selected using stratified random sampling technique. Data collection was carried out using structured questionnaires. The data was analyzed using descriptive and inferential statistics with the help of the Statistical Package for Social Sciences (SPSS). Descriptive statistics included percentages, means and standard deviations represented by way of tables and figures. Inferential statistics included correlation and regression analysis to measure the relationship between the study variables.

4.0 Results and Discussion

4.1 Descriptive Results for Career Development

The first objective of the study was to establish effect of career development on employee performance in Deloitte Limited, Kenya. The respondents were requested to rate their agreement or otherwise on statements relating to career development. The results are shown in Table 1. The scale used was as follows: 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, and 1-Strongly Disagree).

Table 1: Descriptive Statistics on Career Development

Statements	SA	A	N	D	SD	M	STD. DEV
I am aware that there are training programs in the organization which help enhance my performance.	40.6%	46.5%	2.0%	6.9%	4.0%	4.1	1.0
My organization has provided me with access training programs and material to enable me carry out my day-to-day work effectively.	46.5%	41.6%	3.0%	6.9%	2.0%	4.2	1.0
Mentoring employees about their careers enhances their performance.	54.5%	32.7%	3.0%	4.0%	5.9%	4.3	1.1
Through career guidance and mentorship, my Team Leader helps me to develop my own approach and solutions to problems increasing efficiency of my work.	38.6%	49.5%	2.0%	7.9%	2.0%	4.2	0.9
Mobility opportunities both with the organization and to other member firms provide me with an avenue to grow my experiences, gain exposure and boost the quality of my work.	43.6%	45.5%	3.0%	5.9%	2.0%	4.2	0.9
Employees who are given opportunities to work in other member firms are likely to have high morale and are more efficient.	44.6%	36.6%	2.0%	10.9%	5.9%	4.0	1.2
Aggregate score						4.2	1.0

The findings in Table 1 indicate that majority of the respondents (87.1%) agreed with the statement that they are aware that there are training programs in the organization which help enhance their performance, that the organization has provided them with access training programs and material to enable them carry out their day-to-day work effectively (88.1%), and mentoring employees about their careers enhances their performance (87.2%). The respondents also agreed that through career guidance and mentorship, their team leader helps them to develop their own approach and solutions to problems increasing efficiency of their work (88.2%), that mobility opportunities both with the organization and to other member firms provide them with an avenue to grow their experiences, gain exposure and boost the quality of their work (89.1%), and that employees who are given opportunities to work in other member firms are likely to have high morale and are more efficient (81.2%).

The aggregate mean of 4.2 with a standard deviation of 1.0 indicated that majority of the respondents agreed with the statements on career development. This means that the respondents acknowledge the importance of career development as a non-financial incentive. According to the respondents, the key aspects of career development include training programs, career guidance and mentorship and mobility programs.

4.2 Correlation between Career development and employee performance

This sub-section provides results on the association between Career Development [X] and Employee Performance [Y]. The correlation analysis was used to determine the relationship between the variables in terms of strength and direction. Table 2 shows the outcome.

Table 3: Correlation Matrix

		Y	X1
Y	Pearson Correlation	1.000	
	Sig. (2-tailed)		
X1	Pearson Correlation	.780**	1.000
	Sig. (2-tailed)	.000	

** Correlation is significant at the 0.01 level (2-tailed).

The findings in Table 3 reveal that career development had a positive and significant association with employee performance ($r = .780^{**}$, $P = .000$) at 5% level of significance. This implies that increase in career development is significantly associated with increase in employee performance. The findings agreed with Shutan (2015) observation that development of careers for employees offers them new chances of learning, developing as well as to advance in their career journey.

5.0 Conclusion

The objective of the study was to establish effect of career development on employee performance in Deloitte Limited, Kenya. From the descriptive data, majority of the respondents viewed training programs, career guidance & mentorship and mobility programs as essential aspects of career development. The results indicated that career development was positively and significantly associated with employee performance. Several aspects of career development were identified as key, that is, training programs, career guidance & mentorship and mobility programs. The results are consistent with those of Mark and Nzulwa (2018) who concluded that career development programs influence employee performance. Similarly, Mayhew (2014) noted that employees lack the training necessary to become more productive, their performance suffers and they will either leave off their own volition for jobs that provide training.

6.0 Recommendations

The study established that career development had a positive and significant effect on employee performance. It recommended that professional services firms should shift more effort on the aspects related to career development. The firms should specifically enhance training programs, career guidance & mentorship and mobility programs.

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