

An Empirical Study on the Impact of Career Development on Job Performance

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Abstract

Call centres are important part of today's business world as these provide career opportunities to millions of employees and serve as a customer-facing channel of many firms in different types of industries. Therefore the aim of present study is to examine the impact of career development on job performance in call centre. Employees working in two call centres of telecommunication firms i.e. Airtel and Aircel in J & K (India) have been selected as respondents for the sample. The research population comprised of 1157 employees. Exploratory factor analysis and confirmatory factor analysis has been used for scale validation, reliability and validity. Structural equation modeling has been used for hypothesis acceptance. The results revealed that career development significantly and positively affects job performance. This is a pioneer study on call centers. Despite of major contribution the study is limited to only two call centres namely Airtel and Aircel in J&K for future research more call centre will be included.

Keyword: *Career Development, Job Performance, Structural Equation Modeling, Confirmatory Factor Analysis, Exploratory Factor Analysis*

Introduction

Call centres are important part of today's business world as these provide career opportunities to millions of employees and serve as a customer-facing channel of many firms in different types of industries. The operational challenges faced by the call center manager are becoming complicated day by day with advancement in IT sector over the last few years. These centres provide career development opportunities to the young and potential employees, which helps in good performance. Career development is the opportunities for promotion and development within the organisation or field of work (Conway & Briner, 2002). Career development is the lifelong process of managing progression in learning, work, leisure and transitions in order to move towards determined future (Career Industry Council of Australia, 2006). The quality of this process significantly determines the nature and quality of individuals' lives, the kind of people they become, the sense of purpose they have, the income at their disposal. It also determines the social and economic contribution they make to the communities and societies of which they are part. It encompasses the development of the general, technical and managerial competencies (Rao & Pareek, 2007). It helps in the enhancing the performance of the employees at

workplace. By performance it means when the employee is very competent and gets his or her work done very effectively and performed his/her job well. Hence rapid development in call centre provided a rich topic for emerging academic investigation of the human element of the working environment. Therefore the present paper investigates the impact of career development on job performance of the call centre employees.

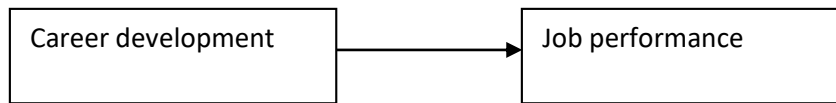


Figure 1: Theoretical Background

Hypothesis Development

There are a numbers of empirical studies pertaining to the relationship of job satisfaction, organizational commitment and career development with job performance (Brown & Peterson, 1993; Angle & Perry, 1981; Riketta, 2002). Caroline & Susan (2014) viewed that career development reduced the gap between current performances and expected future performance. Recently, Bettencourt et al. (2005) found a significant positive relationship between job satisfaction and affective organizational commitment for a sample of frontline bank employees. Karatepe and Tekinkus (2006) found that frontline bank employees who performed effectively in the work place had higher job satisfaction, affective organizational commitment and career development. Based on previous studies the following hypothesis has been developed.

H1. Career development significantly impact job performance.

Research Methodology

Measure

Career development – Eight item scale of Rao & Parak, 2007 has been used to measure career development. Twelve item Job performance scale has been adopted from Coleman & Bormans, 2000.

Sample Size

The research population comprised of 1157 employees. From this figure we excluded those employees who were working in night shifts due to inconvenience to contact so the population got reduced to 907 employees. Apart from this we only contacted those who had tenure of more than six months in call centre so that they can provide the information pertaining career development in the call centre, which further reduced the population to 670. All of these employees were contacted to generate research information. Only 215 employees gave required response. And the detail information is shown as under.

| CALL CENTRES | No of employees excluding night shifts | No of employees excluding less than six month experience | Team Leaders |
|--------------|--|--|--------------|
| Airtel | 632-150=482 | 482-115=367 | 21 |
| Aircel | 525-100=425 | 425-122=303 | 35 |
| Total | 907 | 670 | 56 |

The information pertaining to demographic variables, career development was procured from the employees but the information regarding employee's job performance was procured from his team leader/ mentor.

Results

Exploratory Factor Analysis

After data collection it has been duly purified and validated with EFA. Items of career development contained eight items that has been reduced to five after applying factor analysis. These five items converged under two factor namely work related development and future development. The KMO value is .621 and the extracted communalities for all the items are greater than 0.5. This scale has explained 70 percent of total variation out of which first factor has explained 38 percent of variation and second factor has explained 32 percent of variation. The Eigen value is greater than one for both factors (Table 1). job performance scale contained twelve items. After applying factor analysis these items resulted in six items that got compressed under two factors namely, task performance and personal performance. These items shows positive factor loading values (.609, .807) and communalities are above 0.5. The total variance explained by this factor has arrived at 66 percent out of which first factor yield 37 percent and second factor yield 29 percent of variation (Table 2).

Table 1: Mean , S.D, Factor Loading, Communalities, V.E, KMO and Eigen Value of Career Development

| Construct | Factors | Mean | S.D | Factor loading | Communalities | V.E | KMO | Eigen Value |
|---------------------------|-----------------------------|-------------|-------------|----------------|---------------|---------------|-------------|--------------|
| CAREER DEVELOPMENT | F1: | | | | | 38.5 | . | 1.9 |
| | Promotes career | 4.27 | .906 | .722 | .824 | | | |
| | Future career plans | 4.38 | .779 | .640 | .793 | | | 1.9 |
| | Special skill or competence | 4.45 | .685 | .600 | .774 | | | |
| | f2: | | | | | 32.8 | | 1.6 |
| | Skills development | 4.20 | .912 | .802 | .894 | | | |
| | Imparts training | 4.23 | .819 | .806 | .887 | | | |
| | TOTAL | 4.30 | .820 | | | 71.381 | .621 | 3.569 |

Table 2: Mean , S.D, Factor Loading, Communalities, V.E, KMO and Eigen Value of Job Performance

| Construct | Factors | Mean | S.D | Factor loading | Communalities | V.E | KMO | Eigen Value |
|------------------------|--|--------------|-------------|----------------|---------------|-------------|-------------|-------------|
| JOB PERFORMANCE | Jp1 | | | | | 37.1 | | 2.2 |
| | Promote and defend organization | 4.23 | 1.05 | .740 | .807 | | | |
| | Engage in activity that affect performance | 4.34 | .97 | .546 | .676 | | | |
| | Self development to improve himself | 4.38 | .74 | .676 | .609 | | | |
| | Fulfil responsibilities | 4.44 | .88 | .556 | .742 | | | |
| | Jp2: | | | | | 29.5 | | 1.7 |
| | Meet formal performance | 4.20 | .866 | .744 | .646 | | | |
| | Complete duties assigned | 4.25 | .842 | .733 | .679 | | | |
| | TOTAL | 4.306 | .893 | | | 66.6 | .683 | 3.9 |

Confirmatory Factor Analysis

The factors that emerged after the exploratory factor analysis have been validated using confirmatory factor analysis (AMOS version 16.0). Levels of fit have been assessed by the chi-square, comparative fit index (CFI), Goodness of fit index (GFI), NFI, AGFI, root mean square error of approximation (RMSEA) and RMR. The CFA, which is not adversely affected by sample size, shows a good fit when it is close to 0.95 (Hair et al., 2007) and is regarded as a better measure than the statistical significance level of χ^2 . The RMSEA provides a measure of discrepancy per degree of freedom with a value of 0.08 or lower reflecting a reasonable fit. In CFA items with standardised regression weights less than 0.5 have been deleted (Hair et al. 2007). The CFA has been applied and the various resulting measurement models are as follows.

Second Order Model of Career Development

It is predicted by five items, which are grouped under two factors namely, work related development and future development. The validity predicting measures revealed satisfactory values viz, significant standardised regression estimates (figure 2). This model indicated satisfactory goodness of fit as all the cutoff values of indices qualify the magic value of .90 (Table 3). The chi-square/df statistic come out to be less than 5 and RMSEA is also nearing zero (0.33) (Fig 2).

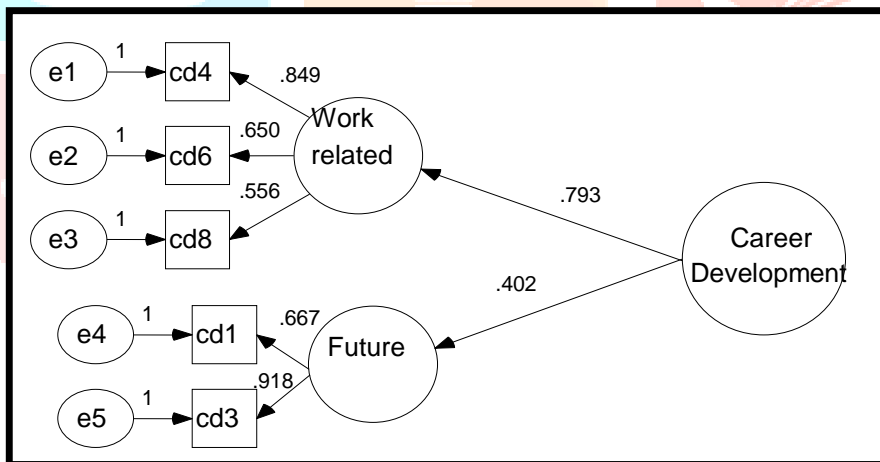


Figure 2: Measurement Model of Career Development

key: cd1-cd8= Manifest Variable of Career Development and e1-e7= Error Term of Manifest Variable

Measurement Model of Job performance

Job performance is divided into task performance and contextual performance. These two factors comprised of six items. Application of CFA resulted in deletion of contextual performance factor so, only one factor got validated and all items carried good standerdised regression weight. (Fig3). The calculated values of all the indices are chi-square statistic is below 5, RMR=.011, GFI=.997, AGFI=.983, RMSEA= .000, CFI=1.00 and TLI=1.010 (Table 3).

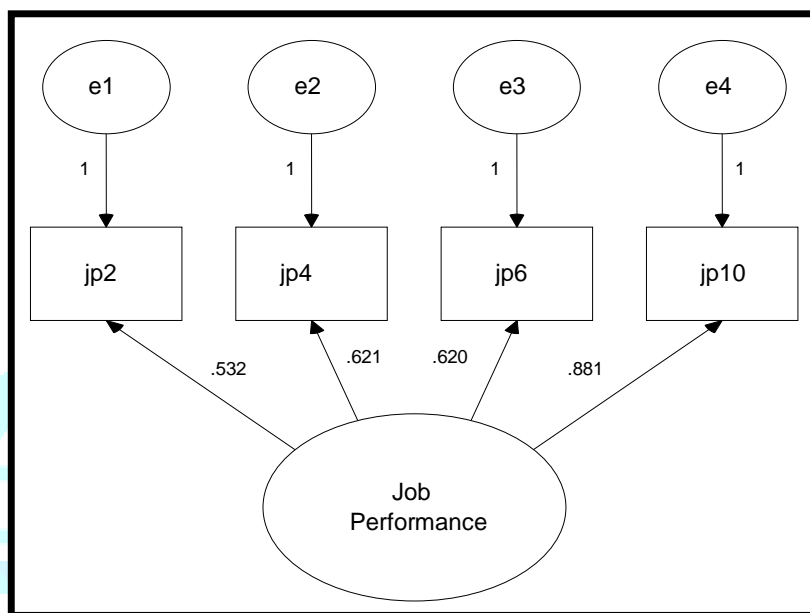


Figure3: Measurement Model of Job Performance

Key:-jp2-jp10 =Manifest Variable of Job Performance and e1-e4= Error Term of Manifest Variable

Table 3:Model fit Summary of Measurement Models

| Fit indices | CMIN/DF | GFI | AGFI | NFI | CFI | TLI | RMR | RMSEA |
|-----------------------|---------|------|------|------|------|-------|------|-------|
| Models | | | | | | | | |
| CAREER DEVELOPMENT | 1.467 | .989 | .957 | .976 | .992 | .980 | .017 | .048 |
| JOB PERFORMANCE | .667 | .997 | .983 | .993 | 1.00 | 1.000 | .003 | .000 |

Reliability and validity

Reliability and validity got established as Cronbach alpha value for both the factors are within the desired limit (Table 4). Convergent validity also got established as AVE and factor loadings are above 0.5 (Table 4). Discriminant validity has been proved as the squared root of average variance extracted is higher than the correlation value (Table3).

Table 4: Reliability and Validity Analysis

| Constructs | AVE | Composite Reliability | Cronbach's Alpha |
|--------------------|------|-----------------------|------------------|
| Career development | .548 | .952 | .723 |
| Job performance | .557 | .964 | .754 |

Table 5: Discriminant and nomological validity of the latent construct

| AVE Discriminant | Career Development | Job Performance |
|---------------------|--------------------|-----------------|
| Career Development | .548 | |
| Job Performance | .600** (.360) | .557 |

Career Development → Job Performance

Structural Modeling was used to assess the hypothesised relationships. AMOS 16.0 was used to conduct this analysis for the appropriateness of the results. SEM has become one of the most widely applied data analysis techniques in the business research. The reason being its ability to assess simultaneously the fitness of measurement models and the structural model. Where measurement models tests relationship (i.e. paths) between the measured (manifest) variables and the construct, i.e., latent variables; structural model specifies relationships between latent variables of interest (composite measures). The result revealed that impact of career development on job performance is significant ($SRW = .95$, $p < .001$). This indicates the acceptance of the proposed hypotheses, thereby reflecting that job performance of the employees is related through their career development.

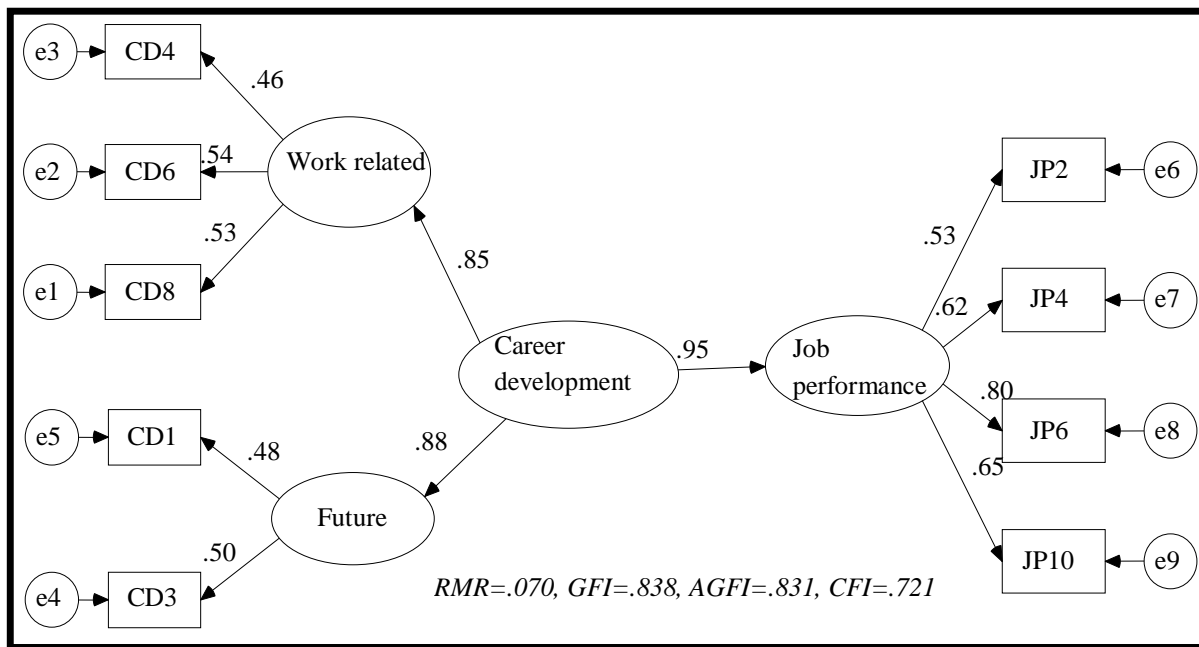


Figure 4: Impact of Career Development on Job Performance

Discussion

This study is a pioneer contribution in the field of call centre. The aim of the present study is to examine the impact of career development on job performance. Career development is a lifelong process, which includes choosing an occupation, getting a job, growing in job, possibly changing careers, and development initiatives fostering organisational effectiveness. (Martin et al. 2001). The result of the study revealed that a well designed career development system enables organisations to tap their wealth of in house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals which resulted into increased job performance. In addition, it enables them to make informed decisions around compensation and succession planning to attract, retain and motivate the employees, resulting in a more engaged and productive workforce (Thite, 2001; Kapel & Shepherd, 2004; Kaye, 2005).

Limitation and Future Research

Although the study is a major contribution in IT sector but it has certain limitation. Firstly the study is confined to only two call centres namely Airtel and Aircel in J&K. For future research other call centre should also be included. Secondly the major drawback was the lack of personal contact with call centre employee as field visit is not permitted by company in charge. Thirdly the data collected is self reporting in nature, which can cause the problem of common method variance.

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