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The Effect of Career Planning, Talent Management and Training Development towards Employee Retention

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Abstract

Most companies nowadays experience issues due to the lack of organizing career development programs. Hence, the study determines the association career development with employee retention in Malaysian airline industry. This study adapted structured questionnaires from past work comprising employee retention (eight items), career planning (seven items), training and development (8 items), and talent management (seven items). A total of 377 respondents were selected from the ground handling department of selected company from Malaysian airline industry. Besides, this research adopted descriptive and influential survey research designs to identify which variable influenced employees' decision to remain or quit the organization. The results indicated that career planning, training, and development with talent management were significant and positively correlated with employee retention. Ultimately, the results could enable the companies to provide good service quality in the ground handling department.

Keywords: Employee Retention, Career Development, Talent Management, Training and Development

Introduction

Historically, people and things were transported mostly using carts and animals. As time passes, people realise that air transportation is one of the safest modes of transit due to its convenience and speed. Air transportation began in the 1980s and evolved over time, from small, hot air balloons to the larger, contemporary planes of today. At the moment, air transportation is a critical area of the aviation industry, owing to rising demand and rapid expansion, which contributes to the development of an efficient transportation network between continents and the economy of the country (Bauer et al., 2020).

In general, the low-cost carrier gives the lowest ticket price to passengers, compensating for the revenue loss by additional charges for services such as in-flight bags, meals, in-flight entertainment, and seat selection (Aun, 2017). For example, Air Asia Berhad was established in 2002 as Malaysia's first low-cost airline. The airline operates both domestically and

internationally under the tagline "Now Everyone Can Fly," and is recognised as Asia's largest low-cost carrier (Sukati and Khiang, 2015). Although Skytrax named Air Asia the "World's Best Low-Cost Airlines" in eight straight years (Skytrax, 2016), the airline continues to encounter a number of issues.

According to Yousuf and Siddqui (2019), many organisations consider employee retention as an ever-increasing idea. Some of the organisations and managers believe that maintaining the best and most valuable personnel is crucial for the long-term profitability, survival, and productivity of their organisations (Gan and Yusof, 2019). The subject has recently acquired traction, underscoring the need of analysing the factors that influence employees' decisions to quit or stay. The critical nature of staff retention considerably sooner than the majority of organisations do (Hughes and Rog, 2008).

Modau et al (2018) employee retention reflects the companies stable workforce and an employee's proclivity to retain with a single subordinates for an extended time. As a result, organisations have utilised a variety of elements to develop strategies and keep their resources as a source of value to the organisation.

Muchena (2016) mentioned that most companies lack well-structured career development and retention programmes; thus highlighting the need to adopt these programs to enhance employee retention. Current retention issues confronting the majority of organisation leaders include skilled labour shortages, excessive employee turnover, and unsteady economic growth (Aslam et al., 2011, Sheppard, 2016). Yong et al., 2020 highlighted workplace stress, workload, burnout, insufficient training, contradictory responsibilities and ambiguity, over time, progress dissatisfaction, and salary as factors for high turnover or intention to leave (TIL).

Literature Review

Career Development

A career is defined as having a single job for the duration of one's working life, however some people view jobs as part of their care plan (Vos et al., 2018). Career planning deliberate process through which an organisation or individual identifies their skills and concentrates their efforts on reaching certain career goals (Kelley, 2012). Meanwhile, Antoniu (2010) stated that the objective is to find a person's career and to engage in workforce development programs to support it.

The study proposed that career planning involves matching individual and organisational career goals and implementing career counselling activities. Successful people with positive careers manage their career planning by identifying goals, plans and taking action. Specifically, career planning comprises individual and organisational career planning (Ahmed, 2017). Ates (2016) added that career planning is an important stage in personal career, defining the term as taking into account the individual and environmental activities by setting pre-arranged targets for companies.

Training and Development

Hurwitz (1990) defined improvement as a wide actions focused at repositioning individuals or organisations for the future or pushing their job to a greater level of success. All personnel

must be engaged and established in order to accomplish their personal and the organization's future career goals. Thus, while training is task development is career focused and targeted on preparing employees for increased responsibilities (Ghimire, 2021)

Thus, training and development assist employees in developing their abilities, knowledge, and behaviours by emphasising training programs in daily tasks and future responsibilities. Mabe et al (2018) asserted that the primary strategy for an individual's or organization's success is training and development. Notably, the strategies transmit all applicable employee skills, knowledge, and competences in order to enhance future performance in existing occupations (McNamara et al., 2019).

Talent Management

The management literature comprises numerous definitions of talent, which refers to a talented person with own quality (Chung and D'Annunzio-Green, 2018). Two approaches are involved: inclusive and exclusive. The inclusive approach leverages the talent of every employee in the organisation, as each individual possesses unique talents and capabilities for adding value to the organisation (Harsch and Festing, 2020).

The inclusive approach is founded on the "Mark Effect," which advocates for a strengths-based approach to people management that benefits the organisation. The Mark Effect is inclusive of all employees, fostering a more friendly, collegial, and empowering work atmosphere. In comparison, the exclusive strategy concentrates on a select group of employees rather than the entire workforce.

Talent management, as described by Bolander et al (2017), is concerned with discovering the best applicants for the best jobs in order to do the right thing. Also, the method anticipates future employee behavior and enables them to respond effectively than previously. In being effective, talent management need to include all of the aspects that influence employee decisions-making and behavior. Similarly, talent management is a very successful means of attaining company objectives because it has a minor effect on corporate performance through employee behavior.

Employee Retention

Employee retention is an employee's desire to remain loyal to their current employer (Huang et al., 2006). Meanwhile, Hadi and Ahmed (2018) found out retention is the process through which companies inspire subordinate to retain with the organisation for an extended time or until a current project is done. Madueke and Emerole 2017 described employee retention as the process of retaining the most talented and valued people longer than competitors. The process improves an organization's effectiveness and efficiency in delivering goods or services by implementing strategies that help the organisation accomplish its objectives.

The majority of organisations have recognised the critical nature of employee retention, and managers have developed a variety of strategies based on the element influencing subordinates intentions to retain in the organization (Kossivi et al., 2016). Retaining employees is critical for economic development because it reduces their duration (Vasquez, 2014). Employee retention is a systematic attempt to create and maintain an atmosphere

conducive to employee retention through the implementation of rules and procedures that address the various demands of employees (Hyman and Summers, 2007).

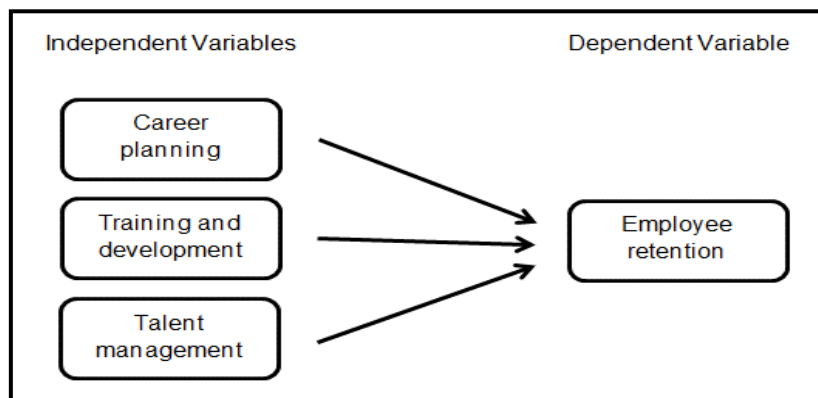


Figure 1: Conceptual Framework

Methodology

This study examined Malaysian airline industry including primary data drawn from previous works. As of June 2021, the International Air Transport Association (IATA) database contained 11 carriers. Meanwhile, the study's analytical unit is at the individual level of flight operation staff, utilizing a probability sampling approach based on simple random sampling to acquire the least biased data and provide the most generalised method (Ragab, 2018). The study sample size was 377, which is a sufficient number according to Roscoe's rule of thumb, which states that a sample size greater than 30 but less than 500 is sufficient. Generally, the subject's actual number is chosen to represent a population trait (Sekaran, 2003). Additionally, the study employed SPSS Version 20 to analyse the data set's reliability, correlations, and multiple regression to test the hypothesized link between dependent and independent variables.

Sampling is the process of selecting discrete components of a population for the purpose of determining its characteristics. The majority of studies used the sampling technique, as sampling is an integral part of any research investigation (Wolf and Pant, 2005). Sampling begins with determining the population's overall size, the accessible population, and the sample size. Additionally, sampling can be classified as probability or non-probability. Probability sampling assures that all members of the population have an equal chance of being picked as a topic, but non-probability sampling ensures that not all elements are chosen (Etikan and Babtape, 2019).

English was used to collect data in the self-completed three-part questionnaire adapted from Foday (2014). Section A comprised the demographic questions, Section B included employee retention with eight items, and Section C encompassed independent and dependent variables. A total 377 respondents answered the questionnaires that were based on past studies. The independent variables were career planning with seven questions, training and development with eight questions, and talent management with seven questions. Lastly, the answer options were rated using a five-point Likert scale following guidelines provided.

Results

Table 1 shows the reliability, correlation and multiple regression analysis for the model independent and dependent variables, suggesting a significant result of each variable.

Table 1
Reliability Test

Variables	Cronbach's Alphas	No. of Items
Employee Retention	.931	8
Career Planning	.926	7
Training and Development	.944	8
Talent Management	.925	7

The table above shows the four independent and dependent variables. The Cronbach's alpha of employee retention was 0.931, suggesting a good and acceptable value of the reliability test for individual job performance (Sekaran, 2003). Meanwhile, career planning showed 0.926, indicating that the reliability test is accepted as the alpha value was 0.765. Furthermore, the training and development value was 0.944, also considered good. Lastly, talent management was also accepted with the value of 0.925.

Table 2
Correlations

Variables	Employee Retention	Career Planning	Training and Development	Talent Management
Employee Retention	1	.782** 0.000	.766** 0.000	.744** 0.000
Career Planning		1	.840** 0.000	.794** 0.000
Training and Development			1	.823** 0.000
Talent Management				1

Pearson Correlation Coefficient was used to determine the link between dependent variables and independent variables. The p-value under 0.05 was considered significant. The table above shows that all independent variables were positively correlated with employee retention. All independent variables were significant as follows: career planning ($r = 0.782$, $p < 0.1$), training development ($r = 0.766$, $p < 0.1$), and talent management ($r = 0.744$, $p < 0.1$) and supported H1, H2, and H3.

Table 3

Multiple Regression Analysis

Unstandardised β Coefficient	β	Sig.
Career Planning	0.394	0.00
Training and Development	0.243	0.00
Talent Management	0.223	0.00
Coefficient of Determination		
Model 1		
R	0.817	
R ²	0.667	
Adjusted R ²	0.664	

The results above found that coefficient R square was 0.667 and adjusted R was 0.664. Thus, 66.4 variations on the employee retention was justified by the varying independent variable (career planning, training development, and talent management). The β values indicated the relative and positive influence of the variables: career planning ($\beta = 0.394$, $p < 0.05$), followed by training and development ($\beta = 0.243$, $p < 0.05$), and talent management ($\beta = 0.223$, $p < 0.05$). Ultimately, all the variables were supported as $p < 0.05$.

Discussions

The study studied the association between career development and employee retention in the airline business. The study sought to determine the relationship between independent and dependent. The study included descriptive, correlational, and regression survey methods to ascertain which career development variables affect employees' retention or move out from the organisation. To collect data, reduce bias, and provide trustworthy and credible conclusions that are generalizable to a larger population, a quantitative research approach was used (Dannels, 2018).

Currently, the majority of businesses face difficulties due to a lack of well organizing career and retention courses for staff (Hantoft and Boman, 2017). The situation emphasised the importance of such retention programs. Numerous research examined the effect of career development on performance and effectiveness but did not consider the influence of employee retention.

Financial stability such as employee benefits has proved it can motivate the staff to stay longer in their job as it is crucial showing them that the employer willing to invest in their future. Besides that, career development is becoming more attractive in seeking to improve the performance and productivity to become more attached, engaged, and satisfied by adopting the best practices that can facilitates the growth and development of the staff (Foday, 2014).

Conclusion

As a result, career development techniques may improve employee engagement and retention, hence lowering turnover and enhancing productivity in the airline industry. The

results discovered that employees were content with their jobs and expected to remain with the organisation. Additionally, the theories found that independent variables all play a significant role in employee retention. Therefore career planning, training, and development with talent management were significant and positively correlated with employee retention. In the other hand, the results could enable the companies to provide good service quality in the ground handling department.

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