

## **A STUDY ON THE IMPACT OF ORGANIZATIONAL FACTORS IN CAREER DEVELOPMENT IN ALBANIA**

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(Original scientific paper)

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### **Abstract**

In a highly dynamic environment, the most valuable asset of an organization is its employees. Investing in employee development has a positive impact for both the organization and the employees. Staff training is essential for the business purposes of organizations, while developing employees toward career goals can promote greater job satisfaction. Creating a pool of satisfied employees helps attract and retain capable employees, as well as keep them continuously engaged.

This paper's objective is the study of the impact of organizational factors in career development. Another objective of the study is the analysis of employees' attitudes towards the future in the organization. The methodology employed is quantitative research and the descriptive method. The questionnaire, which was distributed online, was utilized for the collection of data. The study sample consists of 123 employees in management positions in Albanian and foreign organizations.

Data analysis was conducted through SPSS 20 and JASP-0.8.1.2. The statistical analyses used in the study are as follows: frequency tables, regression analysis, crossed tabulation, Bayesian Pearson Correlation. Research hypotheses were supported with a confidence interval 95%.

The study concluded that organizational factors have an impact in career development. Employees prefer to rise through the ranks in the future within their organization. In general, organizations apply a promotion policy toward their employees. This study can be of immense value to organizations.

**Keywords:** Career development, organizational factors, management position, managerial skills

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### **1. INTRODUCTION**

Recently, organizations are focusing greatly on human resources. Human resources policies are promoting more and more career development. Because, career advancement is what employees want most in their jobs. Thus, investing in employees is beneficial to the organization (Saks, 2006); employees will be more loyal towards it (Cropanzano & Mitchell, 2005) and become more motivated to work within the organization. They appreciate the organization's accommodation of career advancement (Rhoades & Eisenberger, 2002). Simultaneously, it has an impact on employee turnover. High employee turnover is

ineffective for the organization. This has become an area of study of interest for many researchers. Several of them have analyzed the factors that have an impact on career development. What is the situation of Albanian organizations? Do they promote their employees' career advancement? Which factors have an impact on career advancement? The objective of this research is to study the impact of organizational factors in career development. Another research objective is the analysis of employee outlook of the organization in the future.

## **2. LITERATURE REVIEW**

A career can be defined as an individual's journey, which begins with education and continues with the individual's professional growth and responsibilities at work (Greenhaus, Callanan, & Godshalk, 2000). An individual's career can be advanced within the individual's organization (Baruch, 2004).

Thus, career development can be defined as the professional development of the individual (London, 1993). The policies of career development are fundamental to the organization (Ismail, Madrah, Aminudin, & Ismail, 2013; Wilkens & Nermerich, 2011). Human resources are a company's most valued asset. So, human resources development has a positive impact on the organization, as well as on its employees (Ismail, Madrah, Aminudin, & Ismail, 2013; Theodossiou & Zangelis, 2009; Ferreira, Santos, Fonseca, & Haase, 2007; Hirschi, 2009; Wilkens & Nermerich, 2011). Career development programs must pair off the individual's expectations for career advancement and the organization's needs (Leibowitz, Farren, & Kaye, 1986; Lips-Wiersma & Hall, 2007).

Multiple studies have analyzed the impact of different factors on career development. Different scholars have concluded that the organization has an impact on career development (Saeed, et al., 2013; Janet, Ronald, & Randall, 2009; Barnett & Bradley, 2007). The organization uses rewards to measure employee performance. So, rewards are viewed as a factor that has an impact on employee satisfaction (Meyer & Smith, 2000; Rhoades, Eisenberger, & Armeli, 2001). Hence, employees are more motivated and less likely to leave the organization (Baruch, 2006). The employee sees a future within the organization and becomes further engaged in the pursuit of career advancement. An effective career development program motivates employees to perform better and to adapt to change (Lips-Wiersma & Hall, 2007). Rhoades and Eisenberger (2002) have said that company training and development is viewed positively by employees, since training impacts career development. Through training employees learn and develop new skills. Employees see promotion as a consequence of their work and consider it a career achievement (Kim, 2005). From an organizational point of view, this is deemed to be an opportunity to professionally cultivate the employees, and at the same time make them stay in the organization (Guest, Conway, & Davey, 2002). A key role in career development is played by the support provided by the employee's direct supervisor. The supervisor makes sure that their employee is involved in career development programs. Also, the supervisor can offer professional development opportunities, or promote them to senior positions (Rhoades, Eisenberger, & Armeli, 2001; Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). Janet, Ronald and Randall (2009) found in their study that team work has an impact on career development.

Research questions are:

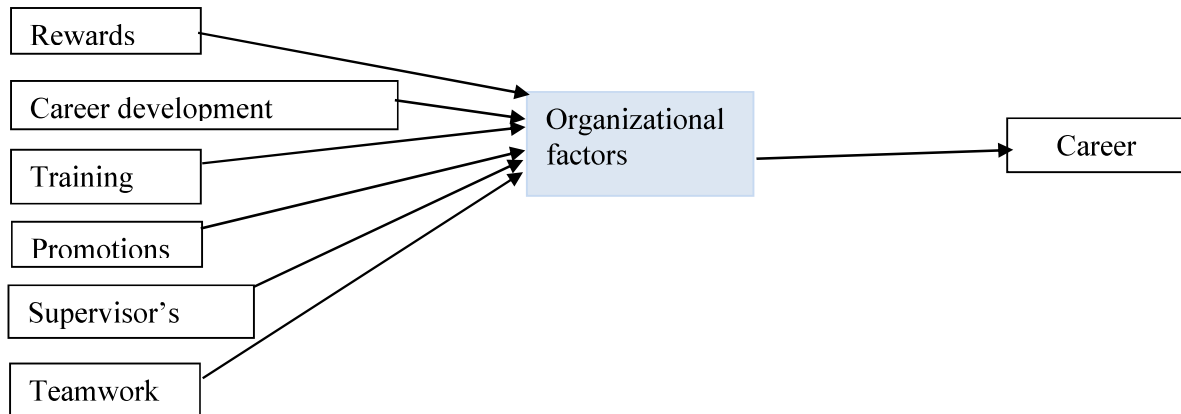
1. Do organizational factors have an impact on career development?
2. What is the employees' outlook of the future in the organization?
3. How do employees evaluate their management skills compared to other employees?

4. How many times are employees promoted within an organization in a 5-year period?

Research hypotheses are:

- H1: Organizational factors are not correlated to employee career development ( $\alpha=0.05$ ).
- H1a: Rewards are not correlated to employee career development ( $\alpha=0.05$ ).
- H1b: Organization career development opportunities are not correlated to employee career development ( $\alpha=0.05$ ).
- H1c: Training is not correlated to employee career development ( $\alpha=0.05$ ).
- H1d: Organizational promotions are not correlated to employee career development ( $\alpha=0.05$ ).
- H1e: Supervisor's support is not correlated to employee career development ( $\alpha=0.05$ ).
- H1f: Teamwork is not correlated to employee career development ( $\alpha=0.05$ ).

The conceptual model employed is as follows:



### 3. RESEARCH METHODOLOGY

This study employs descriptive analysis and quantitative research. The questionnaire is the research instrument used (Osatuke, et al., 2012), which features three aspects: organizational factors, career development and management skills. The questionnaire has been modified by the authors and consists of 20 questions. Evaluation is conducted through a 5-point Likert scale, ranging from “Strongly agree” to “Strongly disagree”. The questionnaire was distributed online in the period May-September 2017. There are 123 participants working in various management positions in Albanian and foreign organizations, of which 106 fully completed the questionnaire. Of the 106 participants, 20 work for foreign organizations, 42 in large Albanian organizations, 35 in medium organizations, and 9 in small organizations. The response rate of return is 86%.

Data analysis is conducted through SPSS 20 and JASP-0.8.1.2. Based on the value of the reliability coefficient Cronbach's  $\alpha = 0.876$  (Table 1) it is concluded that the data are valid to use in the study. The values of Cronbach's  $\alpha$  coefficient for each variable are presented in Table 2.

**Table 1: Coefficient Cronbach's  $\alpha$** 

	<b>Cronbach's <math>\alpha</math></b>
scale	0.876

*Note.* Of the observations, 106 were used, 0 were excluded list wise, and 106 were provided.

**Table 2: Coefficient Cronbach's  $\alpha$  for each variable**

	<b>If item dropped Cronbach's <math>\alpha</math></b>
Rewards	0.877
Career development opportunities	0.861
Training	0.869
Promotions	0.860
Supervisor's support	0.847
Teamwork	0.855
Career development	0.867

#### 4. Empirical Analysis

Organizational factors have the highest mean value. Table 3 data shows that there do not exist great differences between standard deviations. This means that the data are distributed around the mean value.

**Table 3: Descriptive data**

	<b>Organizational factors</b>	<b>Career development</b>
<b>Valid</b>	106	106
<b>Missing</b>	0	0
<b>Mean</b>	<b>4.330</b>	4.415
<b>Std. Error of Mean</b>	0.05482	0.06124
<b>Std. Deviation</b>	0.5644	0.6305
<b>Minimum</b>	3.000	3.000
<b>Maximum</b>	5.000	5.000

*Do organizational factors have an impact on career development?*

The Pearson correlation coefficient in Table 4 is 0.494 and  $p < 0.001$ . Thus, the values of the correlation coefficient show that organizational factors have an impact on career development. There exists a strong positive significant statistical correlation between the variables. The increase in the independent variable (organizational factors) influences the increase in the dependent variable (career development).

**Table 4: Pearson Correlations**

		<b>Career development</b>	<b>Organizational factors</b>
Career development	Pearson's r	—	<b>0.494 ***</b>
	p-value	—	< .001

**Table 4: Pearson Correlations**

	Career development	Organizational factors
Organizational factors	Upper 95% CI	—
	Lower 95% CI	—
	Pearson's r	0.626
	p-value	0.335
	Upper 95% CI	—
	Lower 95% CI	—
		—

\*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

*What is the employees' outlook of the future in the organization?*

Career advancement is very important to employees. Based on the values of Table 5, 90 employees anticipate that they will be promoted in the organization in the future, and 16 prefer staying in the same position. The largest part of employees, believe that they will climb in position in the coming years. The two favorite positions are quasi-CEO and CEO. Employees in different managing positions prefer an even further increase of their responsibilities. Table 6 shows employee preferences of their future position in the organization and their actual position, while graphs 1 and 2 present this diagrammatically.

**Table 5: Employee outlook of the future in the organization**

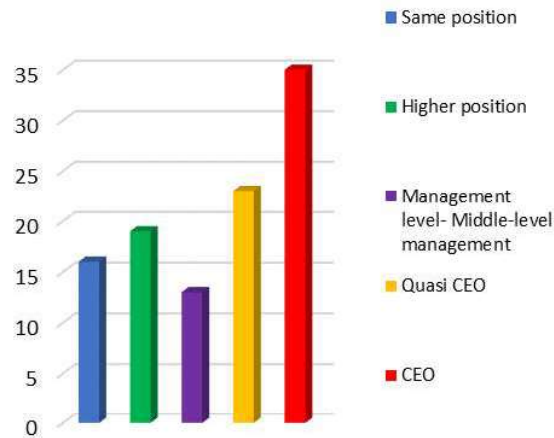
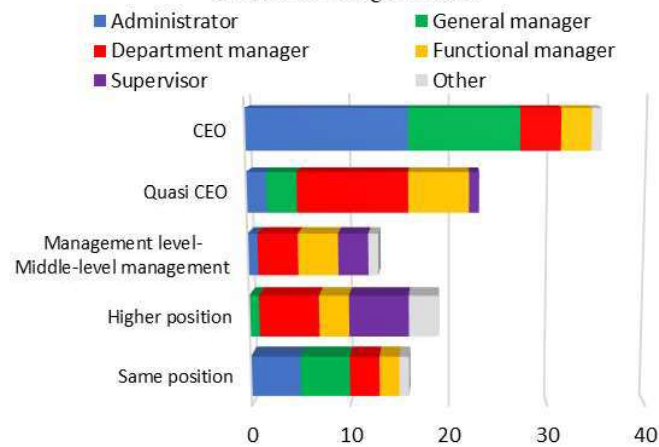
	Frequency	Percent	Valid Percent	Cumulative Percent
Same position	16	15.1	15.1	15.1
Higher position	19	17.9	17.9	33.0
Management level – middle-level management	13	12.3	12.3	45.3
Quasi-CEO	23	21.7	21.7	67.0
CEO	35	33.0	33.0	100.0
Total	106	100.0	100.0	

**Table 6: Employee outlook of the future and their actual position**

Employee outlook of the future in the organization	Actual position						Total
	Administrator	General manager	Department manager	Functional manager	Supervisor	Other	
Same position	5	5	3	2	0	1	16
Higher position	0	1	6	3	6	3	19

**Table 6: Employee outlook of the future and their actual position**

Employee outlook of the future in the organization	Actual position						Total
	Administrator	General manager	Department manager	Functional manager	Supervisor	Other	
Management level- Middle-level management	1	0	4	4	3	1	13
Quasi CEO	2	3	11	6	1	0	23
CEO	16	11	4	3	0	1	35
Total	24	20	28	18	10	6	106

**Graph 1: Employee preferences for the future in the organization****Graph 2: Preferences for the future and actual position**

*How do employees evaluate their management skills compared to other employees?*

According to Table 7.22 employees rate themselves as belonging within the best 50%, 21 within the best 25%, 27 within the best 10%, 25 within the best 5%, and 11 as the best employee. Thus, a substantial part of employees considers their management skills and very valuable to the organization.

**Table 7: Management skills**

	Frequency	Percent	Valid Percent	Cumulative Percent
Within the best 50%	22	20.8	20.8	20.8
Within the best 25%	21	19.8	19.8	40.6
Within the best 10%	27	25.5	25.5	66.0
Within the best 5%	25	23.6	23.6	89.6
The best	11	10.4	10.4	100.0
Total	106	100.0	100.0	

*How many time are employees promoted within an organization in a 5-year period?*

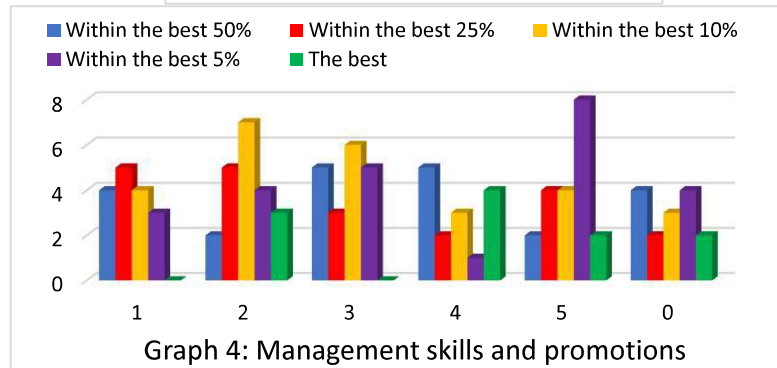
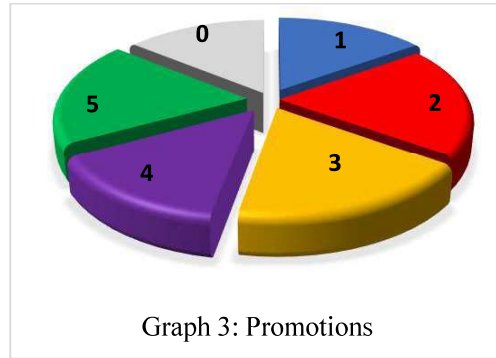
Promotion is the result of the employee's positive performance. Table 8 shows that 91 employees have been promoted minimally once and 15 employees have never been promoted by the organization. Of the promoted employees, 21 have been promoted twice, 20 have been promoted 5 times, 19 have been promoted 3 times, 16 have been promoted once, and 15 have been promoted 4 times. Table 9 shows employee self-evaluation of their skills and promotions by the organization. It must be noted that sometimes employee self-evaluation does not match promotion by the organization. Therefore, there are times when the employee overrates or underrates their skills. Detailed information is provided in Table 9. Graphic representation is showed in Graphs 3 and 4.

**Table 8: Promotions**

	Frequency	Percent	Valid Percent	Cumulative Percent
1	16	15.1	15.1	15.1
2	21	19.8	19.8	34.9
3	19	17.9	17.9	52.8
4	15	14.2	14.2	67.0
5	20	18.9	18.9	85.8
0	15	14.2	14.2	100.0
Total	106	100.0	100.0	

**Table 9: Management skills and promotions**

Management skills	Promotions						Total
	1	2	3	4	5	0	
Within the best 50%	4	2	5	5	2	4	22
Within the best 25%	5	5	3	2	4	2	21
Within the best 10%	4	7	6	3	4	3	27
Within the best 5%	3	4	5	1	8	4	25
The best	0	3	0	4	2	2	11
Total	16	21	19	15	20	15	106



*H1: Organizational factors are not correlated to employee career development ( $\alpha=0.05$ ).*

Regression analysis shows that organizational factors explain 23.7% of the variance of employee career development with Adjusted  $R^2 = 0.237$ ,  $F=33.65$  and  $P<0.001$  (Table 10). Thus, it is concluded that organizational factors have an impact on career development. There exists a significant positive statistical correlation between organizational factors and career development with coefficient  $Beta=0.494$ ,  $t=5.801$  and  $p<0.001$  (Table 11). Both variables move in the same direction. The analysis concludes that between the two variables there exists a strong correlation, thus hypothesis H1 is rejected.

**Table 10: Regression**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	RMS E	R <sup>2</sup> Change	F Change	df 1	df 2	p
1	0.494	0.244	0.237	0.551	0.244	33.65	1	104	< .001

**Table 11: Regression analysis between organizational factors and employee career development**

Model		Unstandardized $\beta$	Standard Error	Standardized $\beta$	t	p
1	(Constant)	2.023	0.416		4.867	< .001
	Organizational factors	0.552	0.095	0.494	5.801	< .001

*H1a: Rewards are not correlated to employee career development ( $\alpha=0.05$ ).*

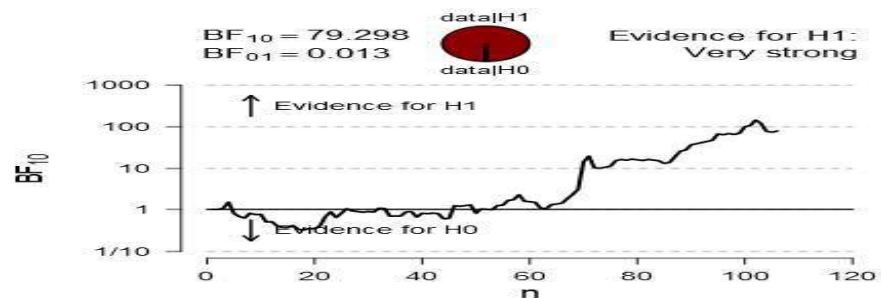


One of the organizational factors that have an impact on career development is rewards. Rewards are correlated to career development with  $r=0.345$  and  $BF_{10}=79.30$  (Table 12). There exists a strong correlation between the two variables. Hypothesis H1a is rejected. Graph 5 represents the rejection of the hypothesis, where H0 shows hypothesis H1a and H1 is the converse hypothesis.

**Table 12: Bayesian Pearson Correlation**

			<b>r</b>	<b>BF<sub>10</sub></b>
Rewards	-	Career development	0.345	79.30

**Graph 6: Career development**



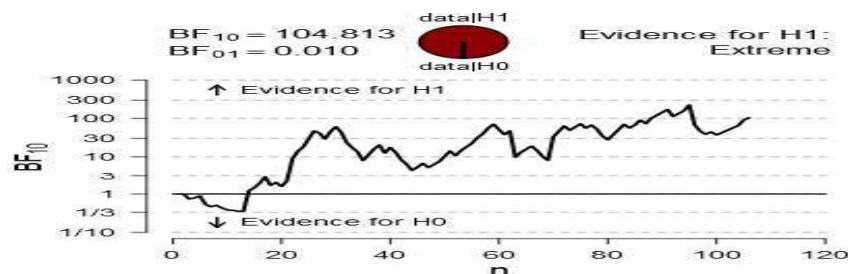
*H1b: Organization career development opportunities are not correlated to employee career development ( $\alpha=0.05$ ).*

Organizations offer employees opportunities to advance their careers. Such opportunities have an impact on career development. The independent variable (career development opportunities) has a significant statistical correlation with the dependent variable (employee career development) with  $r=0.352$  and  $BF_{10}=104.81$  (Table 13). A higher value of  $BF_{10}$  shows a strong correlation between the variables. The analysis concludes that the variables correlate,

**Table 13: Bayesian Pearson Correlation**

	<b>Graph 5: Rewards</b>	<b>r</b>	<b>BF<sub>10</sub></b>
Career development opportunities	Career development	0.352	104.81
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hence hypothesis H1b is rejected. Graph 6 is a diagrammatic representation.

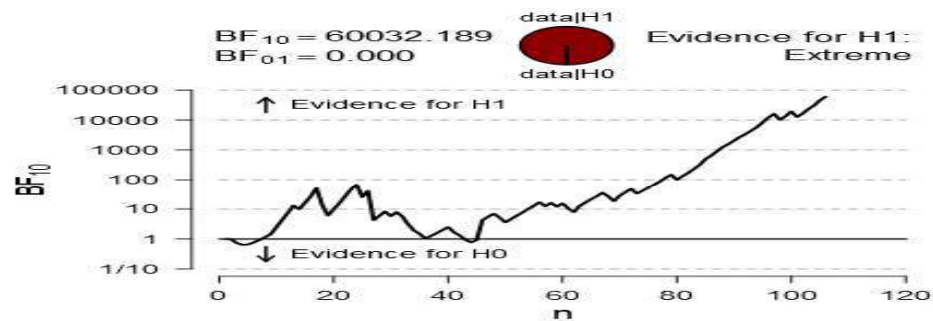


*H1c: Training is not correlated to employee career development ( $\alpha=0.05$ ).*

Training is correlated to employee career development with  $r=0.476$  and  $BF_{10}=60032.19$  (Table 14). Between them there exists a very strong correlation. An increase in the value of training has an impact on career development advancement. The analysis concludes that the two variables are correlated thus hypothesis H1c is rejected. Graph 7 represents the analysis' conclusions.

**Table 14: Bayesian Pearson Correlation**

		<b>r</b>	<b>BF<sub>10</sub></b>
Training	- Career development	0.476	60032.19

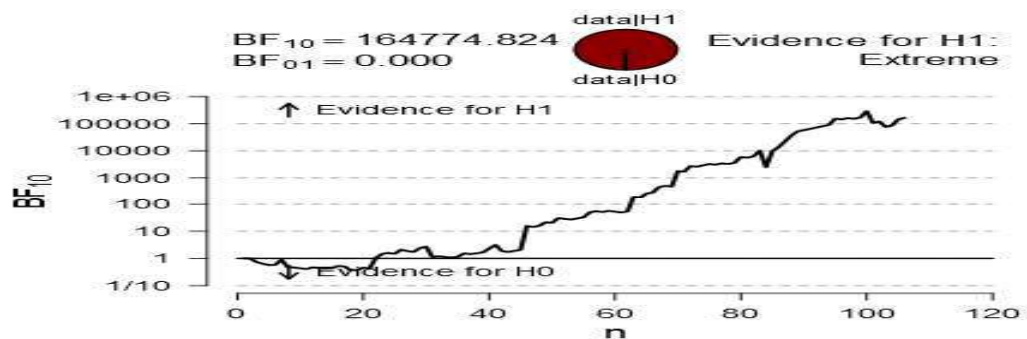


*H1d: Organizational promotions are not correlated to employee career development ( $\alpha=0.05$ ).*

A promotion is an evaluation of employee positive performance. Table 15 values demonstrate that promotion is a factor in influencing career development. Promotion is correlated to career development with  $r=0.492$  and  $BF_{10}=164774.82$ . The high values of  $BF_{10}$  show that there exists a strong positive correlation between the independent and dependent variables. This leads to the rejection of hypothesis H1d, which is shown diagrammatically in Graph 8.

**Table 15: Bayesian Pearson Correlation**

		<b>r</b>	<b>BF<sub>10</sub></b>
Promotions	- Career development	0.492	164774.82



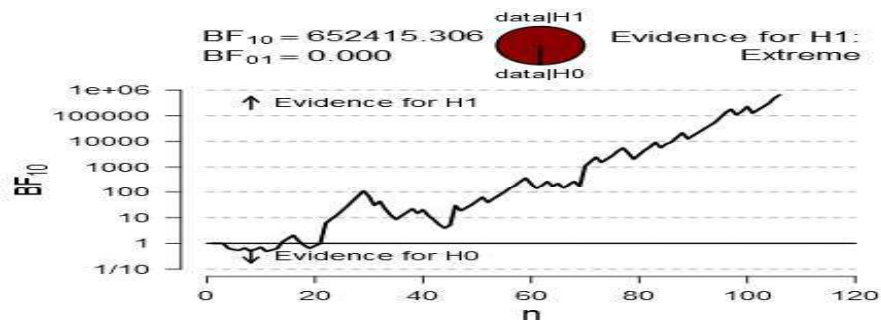
Graph 8:

*H1e: Supervisor's support is not correlated to employee career development ( $\alpha=0.05$ ).*

Supervisors play a crucial role in employee career development. Table 16 values show that supervisor support has a crucial impact on career development. There exists a significant statistical correlation between the two variables with  $r=0.512$  and  $BF_{10}=652145.31$ . Hypothesis H1e is rejected because supervisor support is correlated to career development. Graph 9 is a diagrammatic representation.

**Table 16: Bayesian Pearson Correlation**

		<b>r</b>	<b>BF<sub>10</sub></b>
Supervisor support	Career development	0.512	652145.31



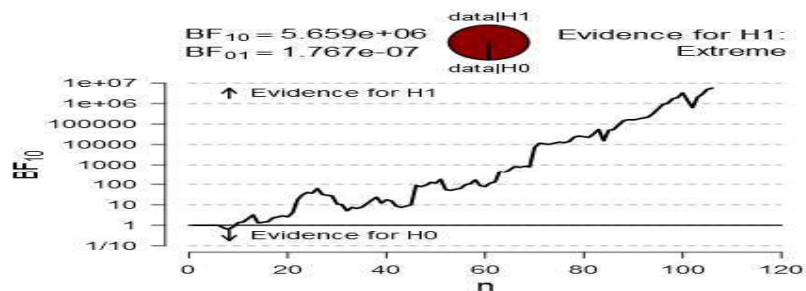
**Graph 9: Supervisor support**

*H1f: Teamwork is not correlated to employee career development ( $\alpha=0.05$ ).*

According to the values of Table 17, teamwork is correlated to career development with  $r=0.541$  and  $BF_{10}=5.659e+6$ . There exists a very strong positive correlation between the variables. Teamwork has a high impact on career development. Hypothesis H1f is rejected. The hypothesis rejection is demonstrated in Graph 10.

**Table 17: Bayesian Pearson Correlation**

		<b>r</b>	<b>BF<sub>10</sub></b>
Teamwork	Career development	0.541	5.659e +6



**Graph 10: Teamwork**

## CONCLUSION

Organizational factors play a crucial role in career development. They have a big impact on career development. Concretely, there exists a significant statistical correlation with correlation coefficient = 0.494 and  $p < 0.001$  between organizational factors and management skills. A considerable part of employees anticipates a promotion in the future. They envision being in senior management positions. Employees have a high self-evaluation of their skills. In some cases, employee evaluation is higher or lower than organizational evaluation. In general, organizations apply a promotion policy toward their employees. However, there are employees that have not received a promotion during a 5-year period. Some organizational factors such as, rewards, career development opportunities, training, promotions, supervisor support and teamwork have a high impact on career development. The application of the different dimensions of organizational factors has a direct impact on employee career development.

Organizations must employ instruments to analyze the impact of their career development policies on employees. Simultaneously, they must implement more programs on employee development.

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