

# Career Development and Organizational Commitment: Case study of a Pharmaceutical Organization in United Kingdom

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**Abstract-** The purpose of study is to measure the performance of Pharmaceutical organization Abbott laboratories United Kingdom by career management and development. The study is based on the four key parts of the Human resource strategies which are Planning, Training and Development, Pay and Reward and Organizational Commitment. The motivation behind this study is to understand the concept of career management and development which lead to Human resource planning, succession planning along with Pay and reward along with understand the impact of different level of management in career management and development.

**Index Terms-** Planning and development, Training & Development, Employee Performance, Organizational Commitment and culture, Pay & Reward.

## I. INTRODUCTION

The Career management is the process which helps individuals to get information about their skills (strength & weakness), identify their career goals (an employee's dream & desire) and involve themselves in career activities and techniques in order to achieve career goals (Gutteridge, 1986; Mayo, 1991; Greenhaus and Callanan, 1994). Employee's development is very important part of an organization's activities and is also related to their business strategies (Belcourt and Wright, 1994). Career development is dealing with individual's development and different career stages (reflect relationship between individual and organization, Schein, 1978) which not only fulfill an individual's need however also the organization (Torrington and Hall, 1998; Greenhaus and Callanan, 1994). An Organization uses many activities, techniques and programmes that map out their employees' career (Greenhaus and Callanan, 1994; Feldman, 1988) which plays an important role in maintaining the balance between an individual's need (job security, development and promotion) and the organization's need (employee's loyalty, trust, commitment). Career management activities and development programmes can give a supportive climate for development. Organizational development culture integrates to individual development.

This article has also been set up to analyze that HR activities acting as fibers which make the link to career management/ development that satisfy both needs (individual &

organization), (Prince et al, 1983). HR activities such as HR planning, performance appraisal system, succession planning, recruitment, training and development etc (Prince et al, 1983) are very important in order to provide career (development, progression, opportunities to utilize skills) to the individual and also the organization in a way to fit the right people for right job (Greenhaus and Callanan, 1994; Feldman, 1988). Succession Planning is the process of developing the talent pool of skilled people in the organization (by identifying potential people) (Hansen, 2007), and that are available to perform different roles (CIPD, 2007; Cowie, 2005). Training and Development is an enduring challenge for management that has been the effective transfer of learning to the workplace and in particular the successful association of learning with training for the accomplishment of management development objectives, (Casey, 1980; Cox and Beck, 1984; Baldwin and Ford, 1988; Noe and Ford, 1992).

In Pay and Reward, performance based pay develops the relation between employee and employer and is a kind of reward for the individual which encourage the employee for development. (Druker and White, 2000) and become more loyal and committed to the organization i.e. maintain talent pool (Clifton, 2006). In order to fulfill Organization Commitment, in organizations, if they are no longer able to offer employees job security, organizations may offer opportunities for internal movement, continual growth, increased skills and abilities, and personal and professional development (that is, employee or career development opportunities). In return, organizations may expect certain employee attitudes, including commitment. Organizational commitment is the strength of an individual's identification with and involvement in a particular organization (Mowday, Porter, and Steers, 1982).

## II. LITERATURE REVIEW

Career seems to be only upward movement in one way, but studies show it is changeable (Torrington and Hall 1998) "career practices need significant changes and adaptation" in which individual not only find opportunities to move up (progression) however also the lateral movement (development) (Torrington and Hall 1998). Career is the sequence of work-related positions that an individual has in all her/his all working life (London and Stumpf, 1982; Feldman, 1988). For a successful career it is not

necessary that individuals have to stay in one organization. What Defillippi and Arthur (1994) used a term “boundary less” career that means opportunities are not fixed in a single organization. Handy (1994) also supports this concept and describes the concept of a “portfolio” career where a career consist of number of variable work activities from different sources.

Individual is self responsible for his/her own career (Mayo, 1991; Yarnall, 1998 Oltesvig, 2006; Baruch, 2004; Milkovich and Boudreau, 1997). Bailyn (1989) argue and state that successful career is in the hands of the organization. Herriot (1995) also supports this statement and said working environment effects on employees’ interest to contribute in development. Later on Holbeche (1995) also contributes her view and states that employees become more responsible and showing more interest in their own career when they have high risk in job.

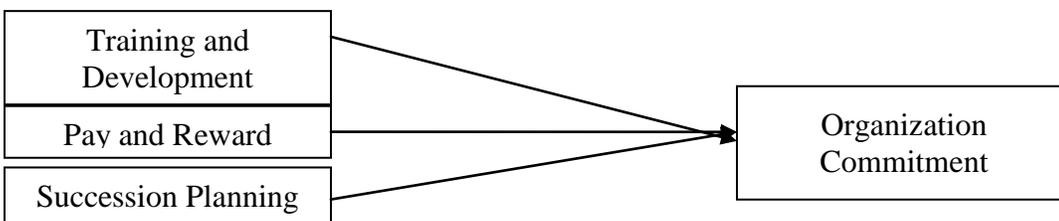
It is hard for most of the people to find the difference between the terms “Job” and “Career”, but there is difference between these two approaches. People do a job for financial settlement, it could be summer job, part-time job in the street market or in the restaurant i.e. for sake of need (Torrington and Hall, 1998), but the career is not only focused on finance but also involves your emotions and talent (Greenhaus and Callanan, 1994; Baruch; 2004; Hall, 1985). Career is long range planning which makes to think about future plans and future requirement to meet needs (Van Maanen, 1977; Greenhaus and Callanan, 1994; Baruch; 2004).

Employees are the real assets and their skills, abilities and knowledge are the important issues for the organization (Shaw, 2006; Mayo, 2000). Employees’ development is highly associated with a human resource system and correlated career system (Greenhaus and Callanan, 1994). Succession Planning is the process of developing the talent pool of skilled people in the organization (by identifying potential people) (Hansen, 2007), and that are available to perform different roles (CIPD, 2007;

Cowie, 2005). “It helps at every level of the organization” (Marshall, 1997).

An enduring challenge for management training and development has been the effective transfer of learning to the workplace and in particular the successful association of learning with training for the accomplishment of management development objectives, (Casey, 1980; Cox and Beck, 1984; Baldwin and Ford, 1988; Noe and Ford, 1992). Training is the part of development process which develops employees’ skills (Milkovich and Boudreau, 1997) and also contributes to company’s profitability (IPD, 1998). Invest on your employees today and get fruit tomorrow (Brown, 2005; Milkovich and Boudreau, 1997). Performance based pay develops the relation between employee and employer and is a kind of reward for the individual which encourage the employee for development. (Druker and White, 2000) and become more loyal and committed to the organization i.e. maintain talent pool (Clifton, 2006).

In organizations, if they are no longer able to offer employees job security, organizations may offer opportunities for internal movement, continual growth, increased skills and abilities, and personal and professional development (that is, employee or career development opportunities). In return, organizations may expect certain employee attitudes, including commitment. Organizational commitment is the strength of an individual’s identification with and involvement in a particular organization (Mowday, Porter, and Steers, 1982). Hall and Mirvis (1996) argued that firms will have to select and develop a core group of people who have an appetite for continuous learning and the ability to cope with ambiguity and shifting job assignments. Research has shown that the best development occurs on the job (Hall and Associates, 1986). In fact, Seibert, Hall, and Kram (1995) maintained that development strategies that are built on naturally occurring work experiences are more flexible and responsive and thus better suited to current conditions.



H1 = Training and Development has positive impact on O.C. (Organizational Commitment).

H2 = Pay and Reward has positive impact on O.C. (Organizational Commitment).

H3 = Succession Plans has positive impact on O.C. (Organizational Commitment).

### III. METHODOLOGY

Overall 220 questionnaires were distributed and researcher was able to retrieve 102 questionnaires with a response rate of 42.7 percent.

**ANOVA AND CORRELATION ANALYSIS**

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.814	3	1.271	12.464	.000 <sup>a</sup>
	Residual	9.181	90	.102		
	Total	12.995	93			

a. Predictors: (Constant), Pay & Reward, Succession planning, Training & Development

b. Dependent Variable: Org. commitment

**IV. RESULTS**

ANOVA table shows the sum of squares the regression sum of squares is 3.814 while the residual sum of square is 9.181 which show the reliability of the data and analysis. The sum of square must be greater than the residual sum of square. Mean Square is less than 2 (i.e. 1.271) F-statistic is 12.464 which support the model fitness. The given significant value is (0.000) which support the underlying hypothesis of the model that all the

independent variables have significant impact on dependent variable. This analysis adds value to the model and analysis of the model that all the independent variables selected for the study have a significant impact on the dependent variable. All the values of the analysis support the proposed theory and collected response support the model. Below table shows the model summary.

**REGRESSION ANALYSIS**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.772	.528		1.462	.147
Succession Planning	.157	.046	<b>.300</b>	3.370	.001
Training and Development	.282	.086	<b>.292</b>	3.264	.002
Pay and Reward	.327	.102	<b>.288</b>	3.205	.002

a. Dependent Variable: Org. Commitment

**V. RESULTS**

The regression coefficients are shown in the table above. The intercept, 0.772 is representing the estimated average value of organizational commitment when succession planning, training & development and pay & reward are zero. Thus employees having no succession planning, training & development and pay & reward will have severe impact on the organizational commitment of the employees. The slop of independent variables also exhibits useful information for the implication purposes. The slop of succession planning, which is 0.157 means change in organizational commitment is 0.157 when succession planning increases by 1. The slop of training & development (0.282) and pay & reward (0.327) respectively shows that organizational commitment on an average is increased by 0.282 and 0.327 when training & development and pay & reward are increased by 1 respectively.

Succession planning (SP) takes part in development (Hansen, 2007), it deals with individuals' skills, abilities and knowledge (Walker, 1980). The 47.2% disagreement of employees 'A' and 82.6% of disagreement of ordinary staffs has illuminated that there is very uncommon SP found in NPP. In NPP less attention of HR on SP could be one of this reason

because SP has great contribution in internal promotion (London & Stumpf (1982). Some employees in management mentioned that HR focuses on employees' development but it cannot manage to utilize employees' skill to meet future need. What Marshall (2005) said SP helps to meet future needs and most often in critical condition. Internal promotion can reduce the rate of turnover. Due to lack of SP, NPP failed to cope with the critical situation, for example one of employee in finance department had died and the vacancies filled by external market, this has shown a clear picture of weak SP by HR, if only HR knew their employees' skill so this post should be filled internally rather than external.

**VI. CONCLUSION**

To sum up, In Abbott laboratories LTD, there is importance of career management / development and it is also taking part to a certain extend in employees' development. The system is facing a lot of problems which are barriers to creating a strong career management/ development system and it is not wrong to say that career management/ development is still at the exploration stage.

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