RELATIONSHIP BETWEEN CAREER PLANNING AND EMPLOYEE PERFORMANCE IN STATE CORPORATIONS IN KENYA

[1*] **Florence Wangeci Waweru**
mugowaweruf@yahoo.com

[2**] **Susan Were**
susanwere@gmail.com

[3***] **Gregory Namusonge**
gnamusonge@gmail.com

[1,2,3] *Jomo Kenyatta University of Agriculture and Technology, Kenya*

Abstract: Career planning is a process through which one evaluates their lifestyle, personality, skills, career path and skills and the process is continuous. The study was guided by the following specific objectives: to analyze the relationship between career planning and employee performance in state corporations in Kenya; to evaluate the relationship between career mentoring and employee performance in state corporations in Kenya. The research designs that were used were cross-sectional survey and explanatory survey design. The study targeted employees of state corporations in the 14 Kenyan ministries. The study sampled 55 state corporations in Kenya. The state corporations were the unit of analysis while the head of departments of the state corporations were the unit of observation. The sample size for the study was 385 respondents. The study collected both primary and secondary data. Sources of primary data were questionnaires. Descriptive and inferential statistics collected were used to analyze the quantitative data collected. This study made use of multiple regression analysis. Analysis of qualitative data was thematic and it was presented in prose form. Presentation of the findings was done using chart, figures and table. The study found that career planning positively and significantly influences employee performance in state corporations in Kenya and career mentoring positively and significantly influences employee performance in state corporations in Kenya. The study recommends organization to first ensure that its employees are aware of policies of managing career development and that there is sufficient communication from supervisors on ways employees could better their career. The study also recommends state corporations to match their staff members with their skills and the position that best suit them; this will help them attain both long and short term competitive advantage.

Keywords: career management, employee performance, state corporation, succession planning

Background

Career planning is a process through which one evaluates their lifestyle, personality, skills, career path and skills and the process is continuous. Also one corrects and improves some aspects to ensure that the future of their career is better. Planning of one's career is a lifetime process which involves selecting an occupation, being employed, growing in their employment, change career and finally retire (Mishra & Sachan, 2015).

This study used the theory of work adjustments which identifies several measures that have been created in order to provide measures of different aspects that relate with employee performance and this includes satisfaction, skills, needs and values, satisfactoriness, and abilities, and correspondence indexes (Dawis, 2015). Severalstudies that have used TWA in linking abilities/needs and satisfactoriness/satisfaction, and tenure/work adjustment (Dawis, 2015) have established that in order for a company to attain good performance, the organization has to invest in developing career of their employees. Career management of employees can be

implemented appropriately if there exists proper plan which calls for the need of career plan in organizations. This theory was in support of career planning by linking the work adjustment to performance of employee in state corporations in Kenya.

Schein (2016) stated that planning of a career is a process of career management involving a continuous procedure of discovering developed by a person through their personal concept which is a s a result of their skills, requirements, motivation and aspiration of their own system of values. The act of managing career is a continuous process of self-assessment as well as setting of goals for the worker and their employer with the aim of attaining the goals of the company (Kleinknecht & Hefferin, 2015). Planning of a career is a systematic and comprehensive process that targets the practice of managing career and implementing strategies and analysing opportunities and evaluating the outcome. It is the responsibility of an individuals and the company to plan career. Therefore, the person should determine their aspirations as well as capabilities and by assessing and counselling and understanding their requirements to be trained as well as development; regarding technical skills and advanced education and needs.

In order for an organization to attain both long and short term competitive advantage the company should match their staff members with their skills and the position that best suit them. Based on the company's scope, the economy, technology, and character of consumer kind of skills of the employees differ. The structure of the work is affected by peculiarities and also the kind of workers recruited for a particular task and the development structure of the task. Majority of the employers provide various chances of promotions to various kinds of positions especially the ones that have unique skills they provide to the company and other get less chances (Manolescu, 2013).

Employee results are usually used to measure their performance levels. It can also be looked at in terms of their behaviour (Armstrong, 2015). Kenney *et al.* (2016) indicated that the performance of staff members is determined in reference to the set standards by the company. There exists several other aspects that can be considered when determining performance and they include, production level, how efficient, effective, and quality the outcome are and profit levels (Ahuja, 2016). *Profitability* is the ability of earning profits that are consistent over a particular period of time. According to Wood and Stangster (2016) profitability is expressed as a ration of gross profit to returns, capital used or sale. Capacity to produce proper outcome using least amount of resources is said to be *efficiency* and *effectiveness* is employees ability to attain the different company objectives (Stoner, 2016). *Productivity* is variation of inputs and outputs (Stoner, Freeman & Gilbert, 2015). It measures the level to which a company is able to convert their resources into goods or services; it implies the output that is produces per unit of the resource used (Lipsey, 2019). *Quality* refers to the character of the product or services with the ability of satisfying the needs (Kotler & Armstrong, 2016). It's to achieve better goods and services at a price that is continuously competitive (Stoner, 2016).

Kenya Airports Authority (KAA) employs staff with varied skills set and expertise to help deliver on its mandate. Because of its unique operations, the Authority has experienced challenges whenever employees have left the organization in search of green pastures and on retirement. In order to manage its employee's turnover, the Authority has made some effort in improving career management practices (KAA, 2018). However, these practices have not fully addressed the issues of career management as the turnover of employees has remained high at above 20% per annum. This has forced the Authority to invest huge sums of money in recruitment, hiring and training new staff joining the organization (KAA, 2018).

The State Corporations Acts (1987) revised in 2013 gives 10 criteria through which an institution can be considered to be a state corporation. The common variable in all the 10 is control by the government of Kenya.

A state corporation is therefore an entity which the government has significant influence over it. By law, state corporations are guided by government regulations and appointed bodies such as the State Corporations Advisory committee (SCAC) and the Efficiency Monitoring Unit and Public Procurement Oversight Authority (PPOA). The terms and conditions guidelines for state corporations released through the State Corporations Advisory committee emphasizes that there is no alternative for state corporations but for them to adopt practices of managing businesses that are modern.

Through the guidelines, it is further pointed out that every single corporation needs to have corporate strategies that clearly outline their goals, mission, values and objectives. Njiru (2018) stated that the reason why the Kenyan government has state corporations is for meeting commercial as well as social needs which include rectifying failures in the market, exploitation of social and political objectives and the provision of education, health, and the development of the marginalized areas. From June of the year 2005, the Kenya government requires that state corporation board sign performance contracts with CEOs and the government and it is then cascaded to individual employees (GoK, 2018).

This has been a solid attempt to improve state corporations by making sure that they improve and sustain their performance and levels of service delivery. Based on state corporations mandate and service, they are grouped into eight various categories. Those categories are financial, commercial, regulatory, public universities, service, regional development authorities, tertiary education and training and finally training and research (Munjuri, 2017). Until the early 2000's, Strategic planning practices had not been evident in any arm of the Government of Kenya including state corporations with the only attempt to plan having been manifested through the annual budget that covers a government financial year from July to the following June (Government Printer, 2018).

Then came the NARC government took power in 2003 and an attempt to embrace strategic planning was made through the Economic Recovery Strategy for Wealth and Employment Creation (ERS) of 2003 – 2007 (Kenney, 2015). This was closely followed by a launch of a longer term strategic plan on 30th October 2006 which resulted to the Vision 2030 launched by President Kibaki 10th June 2008 to cover the period 2008. These plans were cascaded down to state corporations which were tasked to develop their own strategies which should be in line with the 'corporate strategy' of the Kenyan government, currently the Vision 2030. Kenya has more than 125 state corporations (Ajwang, 2015). Looking at the performance of the government over the last 10 years, it is evident that there has been an improvement in performance of state corporations with most of them having turned around from loss making entities to reporting billions of shillings as profits.

Statement of the Problem

Kenya's state corporations for the past years have experienced an increase in employee turnover and there are no signs of change in the trend (Murungi, 2018). For instance KAA have experienced exit of their talented employees including pilots and cabin crew to both international and local companies as a result of poor working conditions and poor pay (Mumero, 2016; Nyanjom, 2017). Based on a report that was produced by ROK ICT center in Kenya (2015), KCB lost approximately 400 of its talented employees who were highly skilled to both local and other international broadcasting corporation from 2009 to 2018 (Kimani, 2019). It has also been found that 75% of doctors after three years of serving in public sector, travel abroad for better positions and pay or venture into private practice (Mwende, 2015).

The domain for managing career in Kenya has not been emphasized on in approximately 60% of all state corporations and this has led to the reduction in level of employee retention by up to 30% (Njoroge, 2016). It is approximated that more than 38% of civil servants quit their jobs every year and move to private sector or

be self-employed and therefore the corporations loose most of its talented workers. Njoroge, (2016) established that challenges of managing career results to issues related to recruitment of employees and reward management of employees in the organizations.

There is little empirical evidence; therefore this study sought to fill the research gap by establishing the relationship between career planning strategies and employee performance in state corporations in Kenya.

Objective of the study

The study was guided by the following specific objective;

1. To analyze the relationship between career planning and employee performance in state corporations in Kenya

Research Hypotheses

H_{A1} Career planning has a positive relationship with employee performance in state corporations in Kenya

Research Methodology

This study used explanatory and cross-sectional survey design. This study targeted staff members of 110 Kenyan state corporations under the 14 Ministries in Kenya. The study targeted management employees from the 6 main departments in the organizations. There are approximately 10,000 staff members in Kenyan state corporations, who formed the target population of the study.

The respondents of the study were 385 heads of various departments in the sampled state corporations. They helped to provide information on the influence of career management strategies on their organization, the employees they supervise and their immediate supervisors.

Table 1: Sample Size

Department	Frequency	Proportion
Finance	69	17.9
Operations management	96	25.0
Human Resource	82	21.2
IT	39	10.2
Research and Development	63	16.4
Procurement	36	9.3
Total	**385**	**100.0**

Both primary and secondary data were used. Survey Questionnaire was the tool for collecting primary data and it comprised of open and closed ended questions. The questionnaires were administered to the respondents of the study using the drop and pick later technique. The study pilot tested the questionnaire before carrying out data collection for the actual study using respondents from the target population who were excluded from the actual study. Sekeran (2016) indicated that piloting is of great importance because it tests for reliability of research instruments.

Research Results and Discussions

The study distributed 385 questionnaires but only 341 questionnaires were returned having been dully filled. The response rate was 341 questionnaires which translated to 88.6%. Therefore, a response rate of 88.6% was excellent and was used for further analysis and reporting.

Descriptive Statistics

In this section, the study presents findings on the Likert scale questions. Mean (M) and standard deviation (SD) values are used to interpret the findings. The study used as 5-poing liker scale where 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. Means and standard deviation values were used to interpret the findings.

Career Planning

Respondents indicated their level of agreement with the statements given below on career planning. The findings were as presented in Table 3. Specifically, the findings showed on self-assessment that 80.1% respondents agreed that the organization assess the abilities of each employee (M=3.982, SD=1.370); 80.9% agreed the organization assess the employees development needs (M=3.889, SD=1.381) and 75.7% agreed that the organization assess the employees area of interest (M=3.777, SD=1.275). On career exploration, 74.8% respondents agreed that there is a set evaluation schedule which helps improve employee performance (M=3.948, SD=1.263) 77.4% agreed that they work as a team towards set goals in this organization (M=3.738, SD=1.320); and 77.4% that there are set guidelines for feedback (M=3.698, SD=1.331).

Also, on opportunity analysis, 78.9% respondents agreed that the employees are given to choose career opportunities that suit their needs (M=3.915, SD=1.343); 73% agreed that the organization identifies the available employees career opportunities (M=3.863, SD=1.326); and 73% that the employees analyses the available career opportunities (M=3.836, SD=1.220). Regarding career identification, 85.3% respondents agreed that in the organization career identification is a continuous process of development (M=3.994, SD=1.476); 85.3% agreed that the organization identifies careers that match their personal goals (M=3.961, SD=1.476); and 87.4% that the organization identifies opportunities that are realistically available (M=3.856, SD=1.525). The findings also shows on career selection that 88.9% respondents agreed that the organization choose among the available organization career opportunities (M=3.955, SD=1.546); and 82.7% agreed that the employees choose careers that match their current skills (M=3.836, SD=1.426).

The study findings concurs with those of Schein (2013) that planning of a career is a process involving a continuous procedure of discovering developed by a person through their personal concept which is a s a result of their skills, requirements, motivation and aspiration of their own system of values. Also, Kleinknecht and Hefferin (2016) explained that the act of managing career is a continuous process of self-assessment as well as setting of goals for the worker and their employer with the aim of attaining the goals of the company. It is also a systematic and comprehensive process that targets the practice of managing career and implementing strategies and analyzing opportunities and evaluating the outcome which agrees with this study findings.

Table 2: Descriptive Results on Career Planning

Statements	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
Self-Assessment The organization assess the abilities of each employee	2.6	2.1	2.6	80.1	12.6	3.982	1.370
The organization assess the employees area of interest	4.7	4.7	7.3	75.7	7.9	3.777	1.275
The organization assess the employees development needs	2.6	2.6	5.9	80.9	7.9	3.889	1.381
Career Exploration We work as a team towards set goals in this organization	5.9	2.6	8.5	77.4	5.3	3.738	1.320
There are set guidelines for feedback	2.1	5.3	14.4	77.4	0.9	3.698	1.331

There is a set evaluation schedule which helps improve employee performance.	2.6	2.6	5.9	74.8	13.8	3.948	1.263
Opportunity analysis							
The organization identifies the available employees career opportunities	2.6	2.6	8.5	78.3	7.9	3.863	1.326
The employees analyses the available career opportunities	4.7	1.2	10.6	73.0	10.6	3.836	1.220
The employees are given to choose career opportunities that suit their needs	2.6	4.7	2.6	78.9	11.1	3.915	1.343
Career Identification							
The organization identifies careers that match their personal goals	1.2	2.6	2.6	85.3	7.9	3.961	1.476
The organization identifies opportunities that are realistically available	2.6	4.7	1.2	87.4	4.1	3.856	1.525
In the organization career identification is a continuous process of development	1.2	2.1	2.1	85.3	9.4	3.994	1.476
Career selection							
The organization choose among the available organization career opportunities	2.1	1.2	2.1	88.9	5.9	3.955	1.546
The employees choose careers that match their current skills	3.2	3.2	5.3	82.7	5.3	3.836	1.426

Employee Performance in State Corporations

Respondents were asked to rate the extent to which each of the statements in the matrix represented below influences employee performance in their organization. Findings presented in Table 5show that 73.3% respondents agreed that in their organization career mentoring enhances employee performance (M=3.994, SD=1.343); 74.5% agreed that in their organization career planning enhances employee performance (M=3.981, SD=1.371); 68.3% agreed that in their organization career training enhances employee performance (M=3.902, SD=1.235); and 70.4% that in their organization success planning enhances employee performance (M=3.777, SD=1.275). The study findings are in agreement with Kenney *et al.,* (2012) indicated that the performance of staff members is determined in reference to the set standards by the company.

Table 3: Employee Performance in State Corporations

Statements	1 %	2 %	3 %	4 %	5 %	Mean	Std. Dev.
In our organization career mentoring enhances employee performance	1.8	1.8	3.8	73.3	12.3	3.994	1.343
In our organization career planning enhances employee performance	2.3	1.8	2.3	74.5	11.7	3.981	1.371
In our organization career training enhances employee performance	2.9	2.9	6.2	68.3	12.3	3.902	1.235
In our organization success planning enhances employee performance	4.4	4.4	6.7	70.4	7.3	3.777	1.275

Inferential Results

The relationship between study variables is determined by computing inferential statistics. This study computed correlation and multiple regression analysis.

Correlation Analysis

The strength and direction of relationship between two variables is determined by computing correlation analysis. From the findings in Table 6, career planning has positive significant relationship with employee performance (β=0.764, p=0.000). The relationship was considered significant since the p-value (0.000) was less than the selected level of significance (0.05). This agrees with Lyria, Namusonge and Karanja (2014) who established that management of career positively and significantly affected the way companies perform.

The study also established that career mentoring has a positive significant relationship with performance of employees in state corporations in Kenya (β=0.784, p=0.000). The relationship between these two variables was significant as indicated by p-value (0.000) less than the selected level of significance (0.05). This agrees with Ofobruku (2015) who found mentoring to positively affect the way staffs perform.

Table 4: Correlation Matrix

Variable		Employee performance	Career Planning
Employee performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	341	
Career Planning	Pearson Correlation	.764[**]	1
	Sig. (2-tailed)	.000	
	N	341	341

Multiple Regression Analysis

Model Summary

Model summary was used to establish amount of variation in performance of employee that can be explained by changes in career planning and career mentoring. From the findings in the Table 10, the value of adjusted R square was 0.762 which suggests that 76.2% variation in performance of employee can be explained by changes in career planning. The remaining 23.8% suggests that there are other factors that can be attributed to variation in employee performance in state corporations in Kenya that were not discussed in this study. Correlation coefficient (R) shows the relationship strength between the study variables. From the findings the variables were strongly and positively related as indicated r= 0.876.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876[a]	.767	.762	.08495
a. Predictors: (Constant), Career Planning				

Conclusions

The study found that career panning had significant influence on employee performance in state corporations in Kenya. The study further showed that the influence of career planning on employee performance in state corporations in Kenya was positive. This therefore suggested that career planning positively and significantly influences employee performance in state corporations in Kenya; implying that a unit increase in career planning will result to an increase in employee performance in state corporations in Kenya. The study concluded that career planning has a positive relationship with employee performance in state corporations in Kenya.

The study found that career mentoring had significant influence on employee performance in state corporations in Kenya. The finding further showed that the influence of career mentoring on employee performance in state corporations in Kenya was positive. This therefore suggested that career mentoring positively and significantly influences employee performance in state corporations in Kenya; implying that a unit increase in career monitoring will result in increase in employee performance. The study concluded that career mentoring has a positive relationship with employee performance in state corporations in Kenya.

Recommendations

Managerial Recommendations

The organization should first ensure that its employees are aware of policies of managing career development and that there is sufficient communication from supervisors on ways employees could better their career. In order for an organization to attain both long and short term competitive advantage the company should match their staff members with their skills and the position that best suit them. It is also important for matching to be done based on company's scope, the economy, technology, and character of consumer since skills of employees differ.

In order for the process of mentoring to be effective, teaching staff should be more corporative in providing information. They also recommended the organization to improve mentorship programs by transferring knowledge, developing career guidance and enhancing of skills through mentorship. In addition, the organization should provide its employees with a supportive environment, an environment that supports their career development.

Organizations should conduct training need analysis which will guide them in identifying which training is needed to prepare the employees for major positions in the company. Organizations should also upgrade and redefine their plan of succession which is made up of both on and off training programs to make sure that the processes will be beneficial to the individual and the overall strategy of the company. Upgrading and redefining of the succession plan by companies is very important in making sure that the processes are beneficial to the company and the employees. In addition, organizations should ensure that they have sufficient tools for assessment, for succession plan and for career development practice. It is also important for the management of the organization to provide all the needed support.

It is important to make sure that assessing employees and company needs is done and the findings are applied in selecting the most suitable training practices and in determining the participants of the training. It is also important to ensure that the programs designed for training are in line with organizations objectives and requirements and also fit the strategies of the business this will ensure program's success. Since programs of career training are always continuous and systematic; the organization should view training as a long term process and not just some process that lasts for a short while. With the aim of making sure that coaching is

applied in developing success in careers, it is important to understand the various aspects of career development motives that every employee has.

They recommended organizations to review performance elaborately, assess to identify talent and confirm it, plan job moves based on the programs that are already determined; once these are done and an individual is found to be very good, the company should promote them. Organizations also need to develop policies that deal with 'plateaued' manager who have already gotten far and cannot go further than that; they added that in the policy it is important for it to recognize that there are those managers that should be encouraged to begin their careers in other places. Organizations should conduct appraisals to obtain information; this will enable managers to assess staff members who have the potential.

Policy Recommendations

The study recommends policy makers to develop policies on career management. They should ensure that the policies provide employees with guidance, support, and encouragement they need to fulfill their potential and achieve a successful career within the state corporation. The organizations should also develop policies for dealing with the 'plateaued' manager who has got so far but will get no further.

References

Abdulkadir, D.S., Isiaka, S.B. & Adedoyin, S.A. (2016). TC review on performance of companies dealing with manufacturing. *International Symposium on Tm and Emerging Technologies*, 27 - 29, Bandung, Indonesia.

Ajwang, M. (2015). *Report on Financial Stability. Kenya's Commercial Banks*.

Dawis, R. V. (1992). Sustainable competitive advantage and company's resources. *Journal of Management* 17, 99-120.

Dawis, R. V. (2015). Sustainable competitive advantage and company's resources. *Journal of Management* 17, 99-120.

Dawis, R. V., & Lofquist, L. H. (1984). Empirical Study on Impact of QMPs on performance of organizations; a case of Jordanian. *International Journal of Financial Research*, 4(1), 93-109

Government Printer, (2018). *Guidelines on Terms and Conditions of Service for State Corporations' Chief Executive Officers, Chairmen and Board members, Management staff and Union sable staff. Published Report*.

Hartzenberg, T. (2017). Deciding Sample Size for Research Activities. *Instructive and Psychological Measurement*. London: Oxford University Press.

Kenney , P.(2016). Human capital Return On Investment. New Yolk: American Management Association. *Business Management Journal*, 7(1), 54-66

Kenya Civil Aviation Authority (2014). Infrastructure development. *Kenya Gazette Supplement No. 188 (Bills No. 83)*

Kimani, C. W. (2016). Impact of key firm capacities on foundational execution of merchant oversaw retail medium and expansive markets in the Nairobi city district in Kenya. *JKUAT*. Recovered from: http://ir.jkuat.ac.ke/handle/123456789/3540

Kleinknecht, M.K., Hefferin, E.A. (2016) Ability to use both hands as a dynamic capacity: settling the trend-setter's issue. Research in Organizational Behavior 28(2), 104-112.

Kumudha, A. & Abraham, S. (2018). Distinguishing hierarchical capacities as indicators of development and business execution. The Business Review, Cambridge, 5, 109.

Lent, R. W., & Brown, S. D. (2016). 'Warehouse of data on platform of Hadoop for systems supporting decision making in the education system. ICECCO, 2015 Twelve International Conference on (pp. 1-4). IEEE.

Lyria, R.K., Namusonge, G.S., & Karanja, K.(2018). TAM for empirical tests on new and final users of IS, Management Journal, 12(4).

Manolescu, A. (2016). Human Resource Management, 4th Edition, The Economic Publishing House, Bucarest, 332.

Mark A.H. (2018). Role of Management of talent on competitiveness of institutions of higher learning in Kenya. IOSR Journal of Humanities and Social Sciences (IOSR-JHSS). 19, (1), 100-105.

Mishra, B & Sachan, V. (2016). Egyptians management of talent. Presentation paper, Global Talent management Centre

Munjuri, M.G. (2017). Factors affecting practices on HRM in state corporations. Journal of Management, 22, 54-60

Murungi, A.M. (2015). Managers research techniques, (3rd ed.). London, United Kingdom: Sage Publications.

Price Water House Coopers (2016). Factors determining retention of employees in institution of higher learning in Kenya International journal of enterprise computing and business systems, 1(1), 1-19.

Quansah, N (2016). Role of Management of talent on competitiveness of institutions of higher learning in Kenya. IOSR-JHSS). 19, (1), 100-105.

Saunders, M. N. K., Lewis, P. & Thornhill, A. (2019). Research Methods for Business Students (5th Edition). London Pearson Education.

Saunders, M., Lewis, P. and Thornhill, A. (2017). Compensation for employees based on Equity: performance of a company and its determinants. Journal of Financial Research, 27(1), 31-54.

Schein, E H (2016). Career Anchors Revisited: Implications for career development in the 21st century, Society for Organizational Learning, Cambridge, MA

Super, D. E. (1990). Theory of control on strategic HRM with moderating effect of administration information. Academy of management Journal, 35(2), 292-327

Theresia, D., Severine, K. & Franklyn, M. (2015). Strategic Management of HR; School of management studies, University of Delhi, Oxford University Press.

Vaiman, V., & Holden, N. (2016). Talent management's perplexing landscape in Central and Eastern Europe. In H. Scullion, & D. G. Collings (Eds.), Global Talent Management (pp. 178-193). London: Routledge.

Yeh, Y. (2018). Worthiness of winning the war on talent. Evaluation of utility of pay that is based on performance. IJMSB Research, 3.