



Impact of Career Planning on Employee Turnover Intention in Short-term: Evidence from Leading Garment Factory in Sri Lanka

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Authors' contributions

This work was carried out in collaboration between both authors. Author WDNSMT designed the study, performed the statistical analysis, wrote the protocol and wrote the first draft of the manuscript. Author WJAJML managed the literature searches. Both authors read and approved the final manuscript.

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ABSTRACT

Employee turnover intention in short term (ETIST) is still a burning issue for many labor-intensive industries despite the interest of scholars on it for many past decades. The impact of Career Planning (CP) on ETIST is loosely addressed. Thus, this study investigates the impact of CP on the ETIST. A deductive, cross sectional research inquiry was carried out where CP is operationalized using personal, occupational, organizational and external factors. ETIST denotes the turnover intention of short tenured employees. Survey instrument (Holland, 1997) of 30 items ranked the responses on a five-point Likert scale. Sample represents the randomly selected machine operators (n = 232) of garment factory where short-term LTO reported as significant. Regression and correlation analyses derive the results. It is concluded that career planning is significantly influencing employee turnover in short term. Implications of the study carries the importance of employing CP strategies to minimize the possible ETIST.

Keywords: Career planning; employee turnover intention; short term; retention.

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1. INTRODUCTION

Skilled, talented and experienced work force is a key determinant of lasting success of any organization [1]. Hence, organizations try to keep their employees satisfied with the intention of retaining them in long run. Employee retention is usually achieved through reducing the Employee Turnover (ETO). As per the industry experts and statistics, Employee turnover intention in short term (ETIST) is a severe concern in the face of organizational sustainability. Turnover remains one of the most troubling issues for apparel sector [2]. The garment industry in Sri Lanka has been contributing to the livelihood of nearly 1.2 million people [3]. The apparel industry provides more than 330,000 direct employment or 5 per cent of country's total employment [3]. The lack of skilled labor and high labor turn over are some of the main challenges facing the Sri Lankan apparel industry [3]. He pointed out that the Garment industry has an important place in Sri Lanka's economy. It has become Sri Lanka's largest export industry. The major problem the garment industry is facing is the problems in developing and maintaining the required manpower [3]. Despite ample studies centered on employee turnover, it is still a burning issue for many labor intensive industries. In the era of globalization, it has been regarded to be a key issue to deal with employee turnover for any business organization. The employee turnover as a serious issue, particularly in the area of human resource management [4]. Employee turnover is delineated to a situation in which employees depart the organization for several reasons, and thus, negatively affect the organization in terms of overall expenditure and the abilities to distribute the minimum required services [5].

Career development is a formal approach taken by an organization to ensure that people with the proper qualifications and experience are available when needed. Currently, employers no longer promise job security in return for loyalty. Instead, more employers offer opportunities for development and continuous learning in return for high performance and productivity during an employee's stay. Therefore, in career development and transition, the employee is responsible for career planning and the organization is responsible for career management.

Career planning (CP) refers to individuals setting career goals and devising strategies for achieving them [6]. It is an ongoing process that helps people to manage their learning and development. CP is the ability to actively think about future career developments and formulate steps and plans to achieve one's own career goals; it has been shown to be an influential aspect of successful career development [6;7]. It is argued that modern careers are increasingly characterized by discontinuity and non-linearity [8;9;10] and that greater imperatives exist now for individuals to manage their own careers [11]. As organizations worldwide become more diverse, flexible, and complex in the face of fierce global competition, the role of CP has become crucial for both employees and employers. In face of decreased organizational loyalty and increase job mobility CP appear to be the binding glue that keeps employees motivated to stay with the organization. That sounds CP could result in either rise or fall in labor turnover. CP found to be significantly impact the employee turnover intention. However, it is not specifically tested for employee turnover occurs in short term which is a bursting issue of industry people. The industry records indicate a higher employee turnover rate

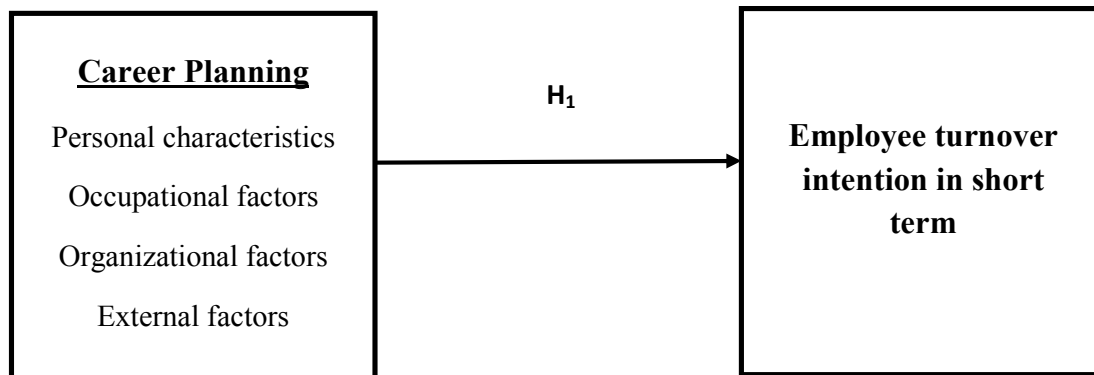


Fig. 1. Research model

(Source: constructed by the authors based on the Holland's Personal Career Theory, 1994)

during the first six months of the employees' tenure. Any investment on career planning meant to generate positive results in long term [12]. Thus, it is problematic how career planning would aid in controlling employee turnover intention in short term. With this insight, it is critical to uncover how career planning impact the employee turnover intention in short term. Nevertheless, less literature support exists on employee turnover influenced by career planning in initial phase of the employee's service: short run. Hence, the objective of this study is to ascertain theoretical and empirical support on how career planning impact on employee turnover intention in short term; a severe concern of any people-centered establishment. The theoretical implication of the study would address the impact of career planning on employee turnover intention specifically in short term, in Sri Lankan context. The practical implications would generate strategies to leveraging the career planning to control employee turnover intention in short term.

The Fig. 1 depicts the assumed association between career planning and employee turnover.

2. METHODS

The aim of this study was to uncover the impact of career planning on employee turnover intention in short term. It justifies the limited presence of the career planning literature which is narrowed to employee turnover intention precisely for short term and specifically to Sri Lankan context. The study follows descriptive research methodology while the research approach is quantitative. In this study, "employee turnover intention in short term" is defined as the employee's intention/willingness to leave the employment/organization within first six months of their tenure. Career planning; the independent variable was operationalized through four main components based on Holland's Personal Career Theory [13]. They are personal factors (attitudes, decision making ability, skills and personal goals), occupational factors (job satisfaction and job knowledge), organizational factors (support and working environment) and external factors (family background, colleagues influence and organizational image). The dependent variable is employee turnover intention in short term which is measured using employees' intention to leave the organization within first six months of their stay at the organization. Data was collected by administering a self-constructed questionnaire of 36 – items, based on Holland's Personal career theory [14]. The reliability of the measure was

assured through associated Cronbach Alpha coefficients where the values for all the variables of the study are above the standard (CP; 0.909, N = 21, ETIST; 0.870, N = 9 & Overall; 0.747, N = 30) for social science researches [15]. Apart from them, the instrument contains some of the selected demographic variables (i.e. age, gender, educational qualifications, marital status, work experience and average monthly income). The responses of scale questions are ranked based on a five-point Likert Scale where 1 denotes "strongly disagree" and 5 denotes "strongly agree". The garment manufacturing sector, which contributes to major share of the GDP of Sri Lanka suffers inherent problem of LTO. Consequently, the respondents were drawn from a leading garment manufacturing organization in which the short term LTO is reportedly high. Selection of a research site where the issue is essentially in existence allow researchers to test the phenomenon in an affluent research setting which aid in ensuring the accuracy & relevance of the research findings. Based on Krejcie & Morgan's recommendation on sample size [13] a sample of 265 employees was selected. According to the Sri Lanka labor demand survey [16], machine operators category recorded as most number of employees quitted occupation, highly demanded occupation and number one in hard to fill vacancy list. The sample elements are randomly selected using the lottery method from the cluster of employees whose tenure is between 1- 6 months. They represent three production plants of the selected organization where uniform HR practices are practiced. This ensure the surveyed employees received uniform treatment with respect to the CP and their attitudes reflect only the short term. The response rate was 88% thus the analysis was based on the data extracted from 232 employees. The principal data analyzing techniques adopted here were Pearson's Product movement correlation analysis and multiple linear regression analysis in SPSS (version 23) environment. The correlation coefficient is interpreted based on Rumsey's [17] recommendation on the same (see Appendix).

3. RESULTS AND DISCUSSION

The sample profile is presented by Table 1.

The impact of career planning on employee turnover intention in short term is assessed principally via the results of Person's product movement correlation analysis of which the results are given below (see Table 2).

Table 1. Sample profile

Category		Percentage
Age	Below 20 years	18.53%
	21-30 years	39.66%
	31-40 years	32.76%
	41-50 years	9.05%
Gender	Male	30.2%
	Female	69.8%
Educational qualifications	G.C.E. O/L	48.7%
	G.C.E. A/L	21.1%
	Other	30.2%
Marital status	Single	43.97%
	Married	56.03%
Work experience	Below 01 year	19.8%
	01-05 years	49.1%
	06-10 years	28%
	11-15 years	2.2%
	Above 15 years	9%
Monthly income	Rs. 15000-20000	9.5%
	Rs.21000-25000	69%
	Rs. 26000-30000	10.3%
	Above Rs. 30000	11.2%

Source: Survey results (2018)

Table 2. Results of correlation analysis

Variable	Short-term employee turnover			
	Pearson Correlation	Nature of the relationship	Sig. (2-tailed)	N
Career Planning	-0.565**	Moderate negative relationship	0.000	232
Personal factors	0.802**	Strong positive relationship	0.020	232
Occupational factors	-0.744**	Strong negative relationship	0.000	232
Organizational factors	-0.580**	Moderate negative relationship	0.008	232
External factors	0.501**	Moderate positive relationship	0.003	232

** Correlation is significant at the 0.01 level (2-tailed)

Source: Survey results (2018)

The results of correlation indicate a moderate negative relationship between career planning and employee turnover intention in short term ($r = -0.565$). The relationship is statistically significant too (Sig. value: $P = 0.000 < 0.05$). Therefore, it can be ascertaining that there is a statistically significant, moderate negative relationship between career planning and employee turnover intention in short term. Resultantly H1 is accepted which assumes a statistically significant relationship between two variables. It implies high level of career planning would result in lower level of employee turnover intention in short term. Importantly, occupational factors and organizational factors in contrast to personal and external factors exhibit inverse relationships with ETIST. Personal factors, the most influencing variable ($r = 802$) is positively connected with ETIST which indicates that the higher personal career expectations leads in

higher ETIST. Additionally, external factors share moderate positive relationship with ETIST. All the relationships are statistically significant and carry mix effect on career planning in general. This resembles that the CP of employees greatly decide the quitting or continuing of the job by an employee in short term. These findings are in line with existing literature in which CP is found to be significantly influencing employee turnover [11;18;19].

Next, it may be important to test the magnitude of each independent element of the relationship if someone to manipulate the employee turnover intention in short term. This is achieved though performing a multiple regression analysis. The required pre conditioned were tested to ensure the fitness of data set to be analyzed by the multiple regression analysis.

Table 3. Model summary of multiple regression analysis

Model	R	R square	Adjusted R square	Std. error of the estimate
1	-.565a	.319	.316	.57520

a. Predictors: (Constant), personal factors, occupational factors, organizational factors, external factors
 Source: Survey results (2018)

Table 4. Coefficients of multiple regression analysis

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	11.906	1.785		6.669	.000		
	Personal factors	.430	.132	.381	3.256	.002	.435	2.297
	Occupational factors	-.329	.025	-.292	-2.157	.005	.935	1.070
	Organizational factors	-.193	.224	-.133	-1.417	.019	.972	1.029
	External factors	.174	.028	.108	1.086	.008	.453	2.207

a. Dependent Variable: employee turnover intention in short term
 Source: Survey results (2018)

The overall regression model is significant at 95% confident level ($P = 0.000 < 0.05$) indicating the predictive power of independent variables to affect the behavior of dependent variable (see Appendix). Table 3 presents the results of multiple regression analysis.

The adjusted R^2 value; coefficient of determination implies how much variance in dependent variable would be accounted for if the model has been derived from the population from which the sample was taken. Adjusted R^2 always takes on a value between 0 and 1. The closer adjusted R^2 is to 1, the better the estimated regression equation fits or explains the relationship between independent and dependent variables. According to the Table 3, the adjusted R^2 is 0.316. It indicates that 31.6% of variation in short-term employee turnover intention has been explained by the career planning where as 68.4% of the variation has not been explained. Therefore, there must be some other factors which influence on employee turnover intention in short term. Hence, magnitude of the overall influence that the independent variable can place on the dependent variable is 31.6%. Here, career planning indicators namely, personal factors, occupational factors, organizational factors and external factors collectively can predict the 31.6% of the overall variance of the employee turnover intention in short term while the individual effect of the said variables may vary depending on the strength of the relationship

they share with career planning. Table 4 depicts the coefficients of multiple regression analysis.

The power of the influence of the indicators of independent variable is provided with beta values. Personal factors and external factors of career planning are placing a positive influence on employee turnover on intention in short term while organizational factors an occupational factors negatively affecting the ETIST. Importantly all the predictors are statistically significant too. The most influencing career planning component on employee turnover intention in short term appears to be the personal factors ($\beta = .430$) and the external factors appears to the least influencing variable ($\beta = .174$). No multi-collinearity issues are observed among the independent variable indicators ($VIF > 10$).

Resultantly, the regression model of career planning and short- term employee turnover intention can be constructed as follows'

$$Y = a + \beta_1X_1 + \beta_2X_2 + \dots + \beta_nX_n + e$$

$$ETIST = 11.906 + 0.430PF - 0.329OF - 0.193OGF + 0.174EF + e$$

Where;

ETIST = Employee turnover intention is short term
 PF = Personal factors
 OF = Occupational factors

OGF = Organizational factors
EF = External factors

An estimation of potential employee turnover intention in short term can be obtained by substituting the career planning indicators respective to individual employees.

4. CONCLUSION

The main purpose of this research was to identify the impact of career planning on employee turnover intention in short term in specific to Sri Lankan context. It was hypothesized that there is a significant impact of career planning on employee turnover intention in short term.

The research aim was materialized through analyzing the data collected from a field survey of 232 machine operators with short term employment tenure (1- 6 months). Based on the results of the correlation and regression analyses, it was concluded that there is a significant impact of career planning on employee turnover intention in short term. Further, the researchers has used correlation analysis to identify the direction and magnitude of the relationship. As such, it is concluded that there is a negative moderate relationship between variables concerned.

Career planning is principally believed to be an individual demand while career management is generally considered to be an organizational initiative. Hence, individual career planning is obviously define “what is the job” and “what is the place of the job” which intern direct employee to move among the jobs and places of employment seeking a better career fit. As per the Holland’s Personal Career Theory [14].

CP have been found as most important predictor of employee turnover intention [20]. As employees are highly motivated in planning their career (i.e. the progression of their career) they are more likely to leave their current organization, especially if their prospect of advancing their career is not clear or non-existence. It is usual for people who are concerned about advancing their career to move among the organizations. This is highly prevalent as the other organizations offer better job profile. Additionally, having work experience in several organizations usually looks good on an individual’s resume, and often builds up ones’ credibility. Hence, this allow high profile employees to move from one organization to another.

Supangco [20], who argued that career success depends on the actions of both the organization and the individual highlighted that employees need to be more informed about their personal attributes that may influence their perceived attainment of career success. Further, several research outcomes stressed on personal contribution of employees to attain career success [21;22;23]. Eby et al. [24] also emphasize the importance of individuals’ capacity to manage their own careers, rather than expecting their employer to manage it for them. The findings of the present study confirm the existing literature in this sense where personal factors was detected to be the most influencing component of CP to affect the ETIST. Moreover, the study also found that external factors i.e. peer influences play a significant role to affect individual career planning. As per Hartup and Stevens [25], teenagers spend 29% of their awake time with their colleagues. Consequently, they enjoy the chance of sharing their individual experiences relating to CP thus likely to believe/ imitate their peers. This may eventually leads to a job movements unless there an organizational intermediation. The study’s findings showed that external factors which include the peer pressure, play a great role in influencing employee CP. Hence, the finding of the present study which stressed the positive impact of peer pressures, i.e. external factors is established.

On the other end, CP as the initial phase of career development should be extensively facilitated by the employer so that employee would perceive his career plans or prospectus are likely to attain if he/she retained in the particular organization. As such results of the present study concluded that the occupational factors and organizational factors as the components of CP negatively affect the ETIST. This can be verified with the findings of Kuijpers and Scheerens [26]. They emphasized the importance of countering the possibility of misaligning personal goals and values with organizational goals and values. Thus, employees should be encouraged to explore or identify organizational values at the beginning of their employment within the organization concerned. This spells a new focus for inductions of the organization. These programmes should clearly indicate the organization’s values and its expectations of employees who work within such an environment [27;28;29]. Unrealistic work aspirations could discourage the career aspirations of new employees. Therefore, regular

discussions on career progress and career path are suggested. This is prevalent in many organizations for permanent employees with long tenure. But the findings of the present study highlight the necessity to make available them for employees with short tenure. As it was found out that CP matters ETIST, it suggested that the employers should focus the employees with short tenure as key stakeholders of any future career development activity. Thus, it is essential employers to retain them within the organization by persuading the associated career prospects of retention. Edgar Schein [30;29] has emphasized the same notion where equally contribution should be coming from both employee and employer to plan for, and to manage the individual's career from the early stage of career start-ups.

The theoretical implications of the study highlight the impact of career planning on employee turnover intention in short term while practical implication demands the joint input from employee and employer for career planning for the sake of controlling employee turnover intention in short term which is a bursting issue of all the industries across the globe.

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DISCLAIMER

The products used for this research are commonly and predominantly use products in our area of research and country. There is absolutely no conflict of interest between the authors and producers of the products because we do not intend to use these products as an avenue for any litigation but for the advancement of knowledge. Also, the research was not funded by the producing company rather it was funded by personal efforts of the authors.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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APPENDIX

Interpretation of Coefficient of Correlation Values

Coefficient of Correlation Value	The Relationship between Variables
-1	Perfect negative relationship
-0.70	Strong negative relationship
-0.50	Moderate negative relationship
-0.30	Weak negative relationship
0	No relationship
+0.3	Weak positive relationship
+0.50	Moderate positive relationship
+ 0.7	Strong positive relationship
+1	Perfect positive relationship

Source: Rumsey, J.D, 2016, Statistics for Dummies, 2nd edition

ANOVA Table of Multiple Regression Analysis

ANOVA^a

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	35.594	1	35.594	107.584	.000 ^b
	Residual	76.095	230	.331		
	Total	111.690	231			

a. Dependent Variable: Short-term employee turnover intention

b. Predictors: (Constant), personal factors, occupational factors, organizational factors, external factors

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