

EMPLOYEE CAREER DEVELOPMENT PRACTICE AT NIB



**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIES**

**EMPLOYEE CAREER DEVELOPMENT PRACTICE AT  
NIB INTERNATIONAL BANK S.C.**

**BY  
REBECCA TESFAYE**

FEBRUARY 2013  
ADDIS ABABA, ETHIOPIA



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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE,  
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**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIES  
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## **DEDICATION**

This work is dedicated to All My Best Friends.

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First of all I owe special thanks and appreciation to my advisor Shoa Jemal (Asst. Professor) who has devoted his precious time to reading, correcting and giving very important comments. My deepest gratitude goes to my colleagues for every support to the paper since inception until the end. I am also indebted to my family and relatives for their material, financial and courageous moral support.

Lastly, I offer my regards and blessings to all of those who helped me in any respect during the completion of the thesis.

## **ABSTRACT**

The research assesses employee career development practice at Nib International Bank S.C. Banks are financial institutions who serve people by fund circulation. NIB, as a service rendering organization, its image, profitability and overall existence depends on the quality of service it offers. This needs manpower skill to attract and retain loyal customers. On top of that, the career development system applied, employees perception towards that, weather the bank meet the objective interms of handling employees affect performance and participants in the implementation are assessed to indicate better way of doing things, suggest career advancement mechanisms when findings show gap in the current practice.

Method applied to search for data includes descriptive type with primary and secondary data collection inaddition to various literatures by using questionnaires and interview with employees and supervisory (management) level personnel. Information was gathered by stratifying city branches based on their grade prearranged by the bank which indicate existence of high transaction, work load and large number of staff.

From the study findings, the bank has a policy to administer employees but the major problem lies on implementation of procedures, information flow, transparency, performance measurement and training scheme. There is a gap on procedures and their implementation. Hence, the bank should adjust its employee career development system to the current demand, expectation and others in the industry. Observing realties than mere reports and strict adherence to policies should be established based on the capacity of the bank. The report is organized by five chapters focusing on background, literature review, research design and method, data analysis and finally summary followed by conclusion with recommendation.

## **LIST OF ACRONYMS**

HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
NIB	Nib International Bank S.C.



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## **CHAPTER ONE**

### **INTRODUCTION**

In this chapter the basics including background of the study, statement of the problem, objectives of the study, significance, limitation and organization of the study are discussed. The background of the study emphasizes the need for employee career development, interrelated factors with it and current career development practice of the bank. Statement of the problem deals grounds for the research to be conducted. Next, objective of the study implies why the study is for by questioning major gap indicators. The rest significance and scope can bound the research for being more down to earth assessment.

Banks are one of the most important financial intermediaries whose primary function as well as their ground is to mobilize funds and pass them over or lend to those which need to finance businesses or projects. In other words, banks act as a bridge between those sections of society which save and those who seek to invest but do not have the financial means to do so. Because of their intermediary function, banks also serve as a vehicle for the economic and social development of a country (Credit Policy of NIB, 2012).

Economic development is not only a fertile ground on which banks nurture but is also a goal or mission, which both share and consciously promote together with other members of society. As one of the less developed countries of the world but with rich and untapped natural resources Ethiopia has immense potential for banking services. It is against this background, and indeed as a result of some reforms, Nib International Bank S.C. (NIB) has come into existence in October 1999. The major interest was delivering efficient and customer focused domestic and international banking services supported by the state-of-the art technology, motivated employees and popularizing modern banking practices in the country. Currently the bank has 2121 staff members, 10 departments and 55 branches in A.A. and regional areas.

## **1.1. Background of the Study**

Employees are important assets and they should be attracted, motivated, developed and retained with the necessary support. Every organization has its own working system on recruiting, training, promoting and taking actions in different ways of interaction with external environment. In an organization with effective performance management, an employee needs to have a goal to thrive. Generally an employee's goals emanate from the work unit's goals and with the same token, the work unit's goals are derived from the organization's goals, which are often clearly indicated in the strategic plan. One of employee's personal goals is getting up in the organizational career that is promotion from one position to the other based on their qualification, performance, potential and work experience to become skilled at new responsibility, scope of authority, expertise and benefits.

Career development is a critical activity in the management of HR. However, a majority of managers simply perceive career planning as vertical movement conveniently sidelining the development part of it. Objectively speaking, career upgradations without development opportunities and orientation have no meaning in terms of competence building. The career movements that are not accompanied by competence building lack vitality and employees tend to feel inadequate and meaningless. Therefore, career movement and competence acquisition should either proceed parallel or competence possession must precede career movement. This can be possible only through a clearly targeted career development plan (Kandula, 2004).

To accomplish the above interrelated subjects, career development is the basic requirement as it moves an employee to a job involving higher pay, status and thus higher performance requirement and it may derive increased personal satisfaction. Hence it is the highest motivating factor for employee retaining and hard work. In NIB, the major consideration of career development is promotion and here afterwards the terms are used simultaneously. So many researches have been conducted on career related issues previously. In the bank, even though there are no formally documented materials it is found that some studies have been made by employees on promotion practice (especially for undergraduate study purpose). Thus, this study attempted to identify the practice of employee career development in NIB.

### **1.1.1. Career Development Practice in NIB**

Career development assumes greater importance in the current dynamic environment. The more it gets simplified and competency based, retaining qualified, honest, loyal, belonging, expected successor,

visionary and goal oriented employee will be higher. Organizational goal should go with personal achievement of employees as tall hierarchical structure is changing to flat and downsizing manpower becomes preferable alternative. Also, career development can be one of the differentiating factors to attract employee in the competitive market. So that, much focus should be given on planning, implementing and evaluation of the career development practice.

However, the real practices of career development in NIB are as shown below.

- a) An employee can compete only for the next position which has one job grade difference above the current level except supervisory personnel upto two job grade differences (Personnel Manual of NIB, December 2012).
- b) Very limited Succession plan is applied
- c) Trainee bankers' assignment to the next position and branch assignment is done by lottery system than performance, background and effectiveness on the training base. (Mostly quota system is applied)
- d) Training need assessment and follow-up is not applied periodically.
- e) There is no genuine focus and consideration for employee career development (Observational information).

More to the point, every promotion of employees is considered with different committee schedules for interview based on job level. On the other hand, career management means just promotions and up-gradations for many organizations. In other words, it is simply a vertical movement of employees. This approach has resulted in shortage of competent managers in many organizations. Besides, there will be a wide gap between quantity and quality of managers when a competency based career plan is nonexistent. Absence of clearly defined and planned career management program also contributes for skill stagnation and consequential frustration among employees (Kandula, op. cit.)

Thus, the current practice doesn't consider the employees' real capability, experience, educational qualification that was clearly stated in the personnel manual (Policy) of the bank. Rather, initiate only the nearest job grade even to sit for competition let alone pass to the next process of selection. The credentials only help for competition between the selected equal job grade level employees. This leads to lower clarity of employee selection for promotion which is done without competency check as so many qualified are left because of the established system.

## 1.2. Definition of Terms

### a) Conceptual Definitions

Career	“Career is a multifaceted concept. It can be about meaning, sense of purpose and direction. It also includes ideas of progression and development both at work and at a personal level. In this way, it embraces ideas about lifelong learning as well as skill development.” (European Center for the Development of Vocational Training, 2008)
Career Development	“Career development is the lifelong process of managing progression in learning and work. The quality of this process significantly determines the nature and quality of individuals’ lives: the kind of people they become, the sense of purpose they have, the income at their disposal. It also determines the social and economic contribution they make to the communities and societies of which they are part.”(Obe, 2004)
Training	“Job Training is training required by management to: (a) qualify an employee for presently assigned duties; (b) improve an employee’s performance of assigned duties; (c) prepare an employee for a future assignment subject to selection procedures.” (Unpublished Document, 2012)

### b. Operational Definitions

Clericals	Employees who work under supervisory control and mostly assigned at secretarial and counter clerk positions
Credit analysts	Employees whose duty is analyzing customer profile and preparation of loan portfolio for credit facility approval
Middle level management	Includes Branch Managers, Division Heads and Section Heads
Supervisory personnel	Employees who work on branch, section, division and department head level and others assigned on the same category.

### **1.3. Statement of the Problem**

When we consider the real practice of career development, it is more of promotion and done on immediate job grade base. This affects employees' motivation, work specialization, career path and level of achievement. Competency, capacity, qualification, belongingness are left aside to the limited number of competitors who only fulfill the job grading factor. To mention more practices observed in the process:

- a) There are some differences between written procedures and implementation.
- b) Competency and qualification are not basic for initial step of selection for promotion.
- c) External recruitment can be done before internal applicants are exhaustively assessed. Eventhough to some positions it is as a new blood injection, some vacancies are posted internally and external at the same time which is contradictory to personnel manual.
- d) Training for new position and skill upgradation is not scheduled well.
- e) There is a replacement problem when someone gets promotion, resign or absent for long.

The consequences are gradually happening in relation to the current handling of employee career system. The warning signs like demotivated staff, high turnover (especially resignation of qualified and professionals like engineers, credit analysts, auditors and the like) to other banks, and influence on the newly employed staff members expecting less career development in the system are some confirmations. If then, the study was carried out to assess employee career development practice and further validate previous studies through additional perspectives.

### **1.4. Basic Research Questions**

The research question deals what the study is expected to answer based on the information gathered. Hence, possible solutions were provided to the following basic research questions.

1. What career development system does the bank apply?
2. How do employees perceive career development implementation?
3. How far career development practice of NIB meets its intended objective?
4. What are the results of current employee career development practice?
5. Who are the participants in career development implementation?



## **1.5. Objectives of the Study**

Objectives can be broad with detailed targets to be achieved step by step on a given period of time. The followings were general and specific objectives of the study.

### **1.5.1. General Objective**

The general objective of the research is to assess employee career development practice in NIB by aligning to the solution for problems related to the subject matter.

### **1.5.2. Specific Objectives**

Corresponding to the general objective, it has the following specific objectives.

1. To point out the factors that should be considered in the employee career development implementation.
2. To verify the perception of employees towards career development
3. To indicate the consequences of current career development related issues.
4. To identify participants in the career development implementation.

## **1.6. Significance of the Study**

Research usually has its own value to add for the existing practices. From this study, the following particulars were believed to be possible benefits.

- It will remind the concerned management to give due consideration on the existing career development system vis-à-vis its implementation according to the HRM policy.
- It will help to call attention to on the consequences of the current career development in relation to staff handling and the likes.
- It will suggest the concerned management on the more appropriate way of competency plus other qualification considerations for basic career development in the bank.
- It will help for employees to be aware of what is expected from them for career development.
- It will serve as a base for other researchers that will study on the same or related topics.

### **1.7. Scope of the Study**

The study has been conducted:

- a) Geographically- on selected 14 branches namely Main, Tana, Sholla, Tired, Ehilberenda, Addisketema, Raguel, Adarash, Wellosefer, Habtegiorgis, Catehdral, Urael and Arada: which are found in Addis Ababa mostly around Merkato area as a trade center. Outlying branches are not included due to remoteness of their location and with the assumption that the method and practices of career development exhibited is more or less the same to all branches except to some variations based on location, climate, working habit, lifestyle, etc.
- b) People – the study incorporate employees who serve the bank at least for two years.

### **1.8. Organization of the Study Report**

This research report has five chapters. This first chapter highlights introduction which includes background of the study, research questions, objective, statement of the problem and others. The second chapter covered review of related literature which includes information from books, journals, articles and reports while the third chapter showed the design of the research method, applied techniques sample, data type and method of data analysis. The fourth chapter presented the findings of the study with interpretation based on the data results and discussion. The last, which was composed of summary, conclusions and recommendations, is chapter five.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

Literature review is done through gathering topic related information to strengthen argument, justify reasons and accumulate the necessary knowledge for further elaboration when the need arise. It can be done from classic materials, or current publications based on the concreteness of the subject matter and periodic vents. Here the chapter covers issues including career development, career path, organizational performance, partakers in career development, basics for career development, outcomes of effective career development practices and challenges for career development.

Organizations are places where people and activities held together for a purpose or to achieve common goal. This can be done through different steps, strategies, quality and quantity assumptions of what to have, consideration of environmental and other resources to establish a better ground for long existence. From the many functional parts of an organization, HRM is the main one whether it is a service rendering, manufacturing or else. HRM is part of a management work which is concerned with acquiring, developing and dispensing with the efforts, skills and capabilities of an organization's work force and maintaining organizational relationships within which these human resources can be utilized to enable the organization to continue into the future. This conception of HRM is essentially strategic in its emphasis on enabling the utilization of employee efforts and capabilities to bring about long term organizational survival (Watson, 2002). Discussion points are the following.

#### **2.1. Career Development**

Employees are assets for every organization. Although technology is becoming highly advanced and a single key can work more tasks at a time, still nothing can replace the need for manpower ability and functionality interms of various aspects, than a machine that work just as installed and set up for a given activity. Hence, employees are the major ones to determine the existence of it based on short and long term plans. Employees can be motivated, satisfied, and retained through different mechanisms as they are not just workers in a given company for the mere purpose of organizational goal achievement but also for their personal career development and other

additional factors like salary, benefits, etc. Career development can be viewed from a number of different perspectives. From one perspective a career is a sequence of positions occupied by a person during the course of a life time. This is the objective career from another perspective, though a career consists of a sense of where one is going in one's work life. This is the subjective career and it is held together by self concept that consists of:

- a. Perceived talents and abilities
- b. Basic values
- c. Career motives and needs

Both, subjective and objective, focus on the individual. Both assume that people have some degree of control over their destinies and that they can manipulate opportunities in order to maximize the success and satisfaction derived from their careers. (Cascio, 2004)

The main functions of HRM include HRP, recruitment, placement, training and development, compensation, promotion, placement, handling termination, turnover and other strategically issues which are aligned to the corporate plan of the company. To fulfill organizational objectives, it is unquestionable that employees' effort and availability of an organizational system which can sustainably motivate, develop, retain and help for optimal utilization of human, material and financial resource adequately and successfully. As both participants, employees and organizations have common goal, and employees major target is career development, special consideration should be given for better results.

Thus overall updated and flexible management system is vital as management is the coordination of all resources through the process of planning, organizing, and controlling to achieve the stated organizational objective effectively and efficiently. Various literature studies are undertaken in career development and the related points career planning, career management, performance appraisal and the like. In this literature review, factors in designing and implementing career development are considered in such a way that assessing the bank's performance in relation to career development and the current real practice of same.

### **2.1.1. Organizations and Career Development**

Organizations should focus on their existing system whether it can go with the changing environment, employee needs and availability of the needed supply in terms of manpower and materials, under the competitive market. Companies that ignore career issues are mistaken if they think those issues will somehow go away. Given the downsizing mentality that has characterized most large organizations over the past decade, career development and planning have been de-emphasized in some firms as employees wondered whether they would even have jobs, much less careers. Here are some reasons.

1. Risking concerns for quality of work life and personal life planning.
2. Pressures to expand work force diversity throughout all levels of an organization
3. Rising educational levels and occupational aspirations, coupled with.
4. Slow economic growth and reduced opportunities for advancement. (ibid)

### **2.1.2. Traditional Versus Contemporary Career Development**

In previous periods, career is assumed as the transfer and promotion of an employee from one position to another and from one organization to the other solely so that, the cognitive side is left and the organizational structure (hierarchy) is followed based on some criterion to fill vacant posts. Moreover it was believed that organizations are the role players for career development of an individual than employees' contribution, self esteem, self concept and self efficacy having equivalent share on it. Fred and Peggy (1992) cited by (Dessler, 2005) in their study compared the traditional versus current career development system by identifying that, careers today are not what they were several years ago in the table below. They were traditionally viewed as an upward, linear progression in one or two firms or as stable employment within a profession.

<b>HR activity</b>	<b>Traditional focus</b>	<b>Career development focus</b>
HR planning	Analyzes jobs, skills, tasks- present and future. Projects needs uses statistical data	Adds information about individual interest, preference and the like to data
Training and development	Provides opportunities for learning, skills, information and attitudes related to job	Provides career path information. Adds individual growth orientation
Performance appraisal	Rating and/or rewards	Add development plans and individual goal setting
Recruiting & placement	Matching organization's needs with qualified individuals	Matches individual and jobs based on a number of variables including employees' career interests
Compensation and benefits	Rewards for time, talent, productivity and so on	Adds non-job related activities to be rewarded, such as leadership positions

### **2.1.3. Factors for Career Development Consideration**

In some organizations, the knowledge, potential and personal development efforts were not given due attention except the plotted prerequisites for career development. As the previously stated factors use for career planning, succession plan, training and performance appraisal and the likes, much emphasis should be given for effective change from traditional to updated career system. Cascio (2004) op.cit. discussed that, traditionally careers tended to evolve in the context of one or two firms and to progress in linear stages as one moved upward through the hierarchy of positions in an organization. Careers are boundary-less and tend to be characterized by features such as the following.

- Portable knowledge, skills, and abilities across multiple firms.
- Personal identification with meaningful work
- On-the-job action learning
- Development of multiple networks of associates and peer-learning relationships.
- Responsibility for managing one's own career. (Cascio, op.cit.)

Related issues to be discussed are the following.

### **2.1.3.1. Employee Performance Management**

Organizations, mostly, consider performance appraisal as one factor for career development of an employee. Employee performance appraisal helps for distinguishing the needs, step of the current status, future gaps and expectations, revising or upgrading systems, and the level of overall activities of the company. It can be useful for detecting which employee should get training or who has the necessary skills and ability for a given position and can be easily coached to the next position. Employee performance management is a process for establishing a shared workforce understanding about what is to be achieved at an organization level. It is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce (Ethiopian Management Institute, 2011).

To accomplish the intended purpose of performance appraisal it should be done on a manner that can lead to fruitful results than filling formats for the sake of procedure and periodical reports. It must have a purpose to attain the corporate goal of a company as it is the central component of overall performance management. On the other hand, the objective can be achieved through clear and standard wise performance appraisal system which include common understanding between the participants in the process, feedback, training and ability of appraisers, measurable criteria, documented profiles than one time success or failures, common trust with positive attitude and responsibility between the parties and others. So that the concerned people of a company should facilitate as (Renee, 2008) suggest that a fundamental responsibility of line managers is the delivery and implementation of HR Practices and to ensure that the perception of support, trust, fairness and consistency are maintained amongst workers. At a practical level, it is noteworthy that these influential factors fall within the purview and control of human resource policy makers and practitioners. Moreover, managers could exert an influence on commitment, job satisfaction, work-life balance satisfaction, trust and support given by helping to establish and maintain selection practices; employee voice; employee

involvement; communication; performance management; training and development; decision making and team working.

In other point of view, performance of an employee can be a measure for reward or other benefit but not for promoting her/him to the next job level. This is because, if the performance of an individual is good at a given position, the reasons may be she/he specializes it, experienced and educated in that area or more interest, and also external factors like the supply and demand situation for the work, current market and organizational system may favour the high performer, whereas that doesn't mean she/he is also good for the next position as mostly real potential, competency, internal and external necessities and expected results in the new assignment than previous scores which by themselves may be one grounds or indicators than critical basics for promotion.

Kuman, (2006) clarifies that, if an employee is a superior performer at her/his present job, she/he should be paid for her/his performance. The problem arises when we promote for performance. The implicit, assumption is that if the employee is good at this job then she/he will likely be good at the next job. Based on this assumption, we have tied pay and promotion together. Unfortunately, the result, is frequently that we take the 'super-star and turn her/him into the also-ran.' The danger here is that we try to make our best sales people into managers, our best designers into administrators, and our best programmers into project managers. The link between pay and promotion needs to be broken. Promotion must be based on potential. Individuals have expected to be promoted up through the ranks simply because money and status were associated with level within the hierarchy. With many organizational levels being removed, individuals can now expect, to stay at each level much longer than ever before, therefore, we need to motivate and reward individuals separately from promotion. Recognition and other softer rewards like lunches and dinners, recognition in company news letter and company achievement awards are also effective.

Moreover, the real capacity or potential of an employee should be investigated through time by using different testing mechanisms inline with training and coaching for new responsibilities. This leads to minimization of cost and effort, preparation to effective succession plan and utilization of skill and ability optimally as long follow-up and



feedback seed more than applying two or three requisites (criterion) at lump sum in just the case happen situation to make a decision on the career of an employee. Hence, assessment of current employees is vital to gain the following benefits listed by Global Books and Subscription Services (1998). Tests can help,

- Measure whether present employees are properly matched to their jobs
- Uncover potential for improving performance
- More objectively select candidates for promotion
- Compare performance before and after training
- Write definitions of job requirements
- Reduce costs of poor performance
- Improve moral by instituting objective performance measures.

#### **2.1.3.2. Coaching**

The guidance and shaping of an employee for the next responsible position is one way for developing the career. Coaching is improving the performance of someone who is already competent: it is not suitable for initial training. It is usually done on a one-to-one basis, set in the everyday working environment, and is a continuing activity. It is gently nudging people to improve their performance, develop their skills and increase their confidence. It is helping people to take on more responsibility and develop their career prospects. Although it is usually done by people with their immediate subordinates, this is not essential. Many times a new boss has been coached by an established team. The main prerequisites are expertise, experience and judgment. The essence of coaching is delegation and discussion where the delayer is not giving people jobs to do: it is giving people scope, responsibility and authority. Discussion depends on a good working relationship where comments are welcomed, not resented or mistrusted (Weightman, 2003).

As stated above, a competent employee having the necessary potential shall be coached to the expected level by seniors to handle the higher position. It will help for dignifying own expertise, growing the level of activities to be performed by the person, widening the scope of authority and responsibility to develop a career.

## **2.2. Career Path**

It is one of the basics for career development practicability as it shaves the way for the company for estimating and ascertaining the manpower requirement and existing ones change establishment. It starts from the lower level to higher following procedures, capability assessment, organizational structure and individual commitment. Ivancevich (2004) identifies, the result of career pathing is the placement of an individual in a job that is the first of a sequential series of jobs. From the perspective of organization, career paths are important in workforce planning. An organization's future work force depends on the projected passage of individuals through the ranks. From the perspective of individual, a career path is the sequence of jobs that she/he desires to undertake in order to achieve personal and career goals.

Although it is virtually impossible to completely integrate organizational and individual needs in the design of career paths, systematic career plan has the potential for closing the gap between the needs of individual and the needs of organization. Traditionally, each job, or "rung" of the career ladder is reached when the individual has accumulated the necessary experience and ability and has demonstrated that she/he is ready for promotion. Implicit in such career path is the attitude that failure has occurred whenever and individual does not move up after a certain amount of time has elapsed.

Here, it can be said that, the best way to maximize the performance of an organization is planning and doing tasks as planned. Thus, career pathing is one of the significant decisions and thinking ahead for better results. If the organization establishes a well acquainted system of career pathing for employees, rather than waiting for sole organizational structure fulfillment, the outcome will be attaining qualified and knowledgeable workers by satisfying their interest in the mean time, as a whole the organization's overall activities can be managed at each level by stratifying each ladder based on individual and material requirement. As motivation and satisfaction are key ingredients for good performance, related ideas are discussed next.

### **2.2.1. Motivation and Satisfaction**

Career development system of an organization is one factor to be competitive in the market and attract potential outsiders to be a part as it is highly motivator and increase the satisfaction level of individuals through flexibility, new challenges and extra obligation inside the responsibilities given. As an employee changed to new higher position, more varied working conditions, benefits, job description, compensation and self achievement will appear. This by itself enhance motivation intrinsically and extrinsically, in addition to other factors like self development, good organizational performance, reward, achievement and training and through time the motivational factors lead to satisfaction by current job which means the employee commitment, loyalty and maximum exertion of effort is well maintained.

Nowadays differentiation can be done through different mechanisms to retain and attract employees and customers respectively. Marchington and Wilkinson (2002) underlined this, in the light of the increased emphasis in recent years on people as a key source of competitive advantage; it is not surprising to see corporate initiatives introduced to buy employee commitment. But how successful are such campaigns, and on what assumptions are they based: It seems sensible to take a step back and try to understand the complexities of motivating people at work. This is important at three levels. First, it is important for management, who clearly need to know and understand what motivates people because it affects work performance, recruitment and retention. Second employees should think though what expectations they have of work and whether they are happy with their lot. Finally, for HR professionals, issues such as these influence the design and implementation of reward structures and systems which they implement or monitor. Money is certainly a factor that can motivate people at work, but even here things are not straight forward. Many people are motivated to work hard regardless of financial reward, and for some the level of monetary reward is important symbolically as recognition of worth. Clearly, there are other benefits from being at work as well as money such as activity, variety, status, and social contacts.

So, it is better to implement a career developing system that can really motivate employees for further encouragement, satisfaction, job variety, potential base and in the mean while organizational goal achievement.

### **2.2.2. Empowerment**

Employees can be empowered by their career when they face new experiences, control their work and being competent. It is, as Bloisi (2007) explained, a multifaceted and highly personal motivational force. It can be from within the individual, from peers or from a manager. Empowerment aspires to bring about positive self-perceptions and task directed behaviours.

Managers encourage empowerment by designing jobs to promote self-reliance, providing challenging goals and meaningful rewards, and exerting considerable leadership. Other people are empowering if they are accepting, provide a model for others to be self motivated performers and exert the patience to be mentors.

The thing here is, let employees feel confidence by themselves through the necessary ingredients to make control of their work and sure the result will change the performance of the organization. Career development is a life long process which takes individual and organizational commitment and goal for a common achievement. This can be done by career planning, career pathing, coaching, motivating, empowering and upgrading performances. Organizations need to give due attention for the career development of their employees as the more the staff is strengthened, being qualified and goal oriented, the same is true for the organization to attract, retain, be competitive and perform highly in the current dynamic market environment.

Once the mission statement of an organization is clearly stated, it is the eagerness, quality, job first attitude and knowing what is expected by internal and external bodies that may balance the long range existence. Employees, internal contributors of the company should be treated in such a way that help them for being experienced, qualified, and employable and considered as an asset. Career development is one of the factors which have greater impact on the performance of employees and the organization. Well implemented career development system motivates, satisfies, retains and qualifies employees for better work.

To accomplish this, potential, competency, real assessment of performance should be done than mere organizational hierarchy or job grade fulfillment and routine periodical tasks. Experience, performance appraisal and training plays an important role in employee promotion but they are

indicators and parts unless accompanied by coaching, development, empowerment, positive attitude and feeling of belongingness by employees in which all this can be gained by using different mechanisms, individual and management effort through time for high performance of an organization.

The arrangement and control of activities for being in the right track according to a given purpose is unquestionable for safe existence in any situation around. This means everything needs management to be implemented and followed up timely for better results. Management is the coordination of all resources through the process of planning, staffing, organizing, leading and controlling such as human, materials and financial ones efficiently to meet the intended purpose. Human resource plays an important role to achieve greater performance thus selecting, retaining, developing and making use of them to the maximum potential by establishing a career wise system in the company is helpful for delivering quality service and manufacturing marketable product.

Individual and organizational goal should be met at some point where mutual benefit of the two directs to high performance and profitability based on the nature of the business. By virtue of nature, individuals need to be recognized and developed on their work and organizations ought to get the necessary skill and abilities for best outcomes. And this can be done through a system which considers employees starting from lower/initial level in the company to higher ones in the hierarchy based on plan, coaching, empowering, giving equal opportunity of promotion and benefits, feedback and visible assessment of their performance for better career development in the long run.

Various literature studies were undertaken in the area of career development to assist the reader for understanding the concept. Habitually, career development has also been called promotion, change of a job from one organization to another and shift of an employee from one position to another without concrete grounds that should be fulfilled. Hence, factors in designing and implementing employee career development are considered in a way that the current real practice of the bank and its process in line with objective and resulted outcomes. Points to be discussed are compiled below.

### **2.3. Organizational Performance**

Organizations have their own purpose i.e. what they stand for and a market, social or global role in the business world, and while doing this, the requirements including legal, societal, cultural, internal capacity, human resource and others must come into consideration before running the physical property into reality. Also, these factors must go along with the operational life of the organization by creating favourable conditions and well installation from the root. Lusthous, Adrien and Carden (1999) stated that organizational performance can be measured through outputs and their effects. It may be technical and mechanical aspect base for the organization. But the major indicators of performance organization include effectiveness, efficiency, relevance and financial viability in addition, other variables like employee morale, timeliness of financial information economic indicators, absenteeism and number of new funders. Also the organizational motivation (History, mission, culture, incentives or rewards), external environment (Administration and legal, social cultural, technology), organizational performance (Effectiveness and efficiency) and organizational capacity (Strategic leadership, HR, financial management, organizational process) have impact.

Thus, the performance of an organization is determined by its materials, background and future target, employees and environmental or internal participants. Human resource, as one part, should be developed and trained for good performance. From the internal factors employee development is one contributor and the following is the discussion on it.

#### **2.3.1. What is Employee Development?**

As one of organizational performance indicator, increased effort for better achievement through the accumulation of knowledge, skill and environmental adaptability leads to individual development. Employees should be developed by training, learning and mentoring in addition to other requirements like formal education, job rotation for not only benefiting themselves but also for organizational success in the field where the operation exists. Formal educational level can be the basic one for selection but it should be developed by informal learning and experience in the work area in order to gain the expected results. Lusthous et al. (1999) op.cit. emphasizes that developing human resource in the organization means improving employees' performance by increasing or

improving their skills, knowledge and attitudes. This allows the organization to remove or prevent performance deficiencies, make employees more flexible and adaptable, and can also increase their commitment to the organization. The development of HR can take several forms such as, training for a job, training for a role inside the organization, and training for a career.

### **2.3.2. Training**

Training can help employees to upgrade what's already learnt, adapt new skills and techniques, prepare for assuming new positions and improve communication, social and material usage skills. It may be long term i.e. developmental (especially given for managerial level workers) and short term for immediate activities and mostly give to clericals, some professionals and others. It is supportive for gathering information on whereabouts of the current skills and accept feedback on the- would be improved parts of an operation. Grugulis (2007) suggest that training can be developmental. It can equip workers with skills that give them power in the labour market, improve their career prospects and add considerably to their lifetime earnings. But none of these results are inevitable and it would be naïve to assume that all forms of training take us one step closer to knowledge based economy.

Employees should get the necessary training and development to cop up with the current dynamic market situation. This will help both the company and individuals as they share skill utilization and application commonly. It is not a one time action and to be stopped as enough as the demand for different activities is changing frequently. Specially, in service rendering companies like banks, it is mandatory to update employee's interms of Information Communication Technology (ICT), customer handling and new job areas.

When employees developed and get training on the necessary skills, beside the educational qualification, experience in the work and personal attributes, it is a sign of preparation for assuming different tasks and responsibilities and potential test i.e. the path of their career should be planted. Also career planning, career pathing, coaching, motivational activities through career development process should be considered.

### **2.3.3. Career Development**

Employees and their organization usually have some different and common interests in doing the operation of a business. That may be individually establishing a career ground and going up in the hierarchy of the organization whereas having potential, qualified and loyal staff members for better performance is ultimate goal of any company. This should be managed, starting from the planning to evaluation and hence, as Adekola (2011) anticipated, career management requires initiative from both organizations as well as individuals in order to provide maximum benefit for both. Career development is about the development of employees that is beneficial to both the individual and organization, and is a complex process.

### **2.4. Participants In The Career Development System**

Usually, individuals, organizations and other legislative and external factor responsible organs participate in career development of an employee. But the major ones are individuals (employees) and organizations are the decision makers as the pros and cons of the situation directly affect them.

#### **a) Individual Contribution**

The development and growth of employees usually benefits the company more than the individual in literal way of saying i.e. what ever skill and competency gained by an employee will be applied for work especially if it is by motivated and committed one and the result ensures the success of the organization. Individually, they upgrade and go up in the structure for better salary, position, benefit and work variability. Thus both should participate in the process in that employees and managers or supervisors. (Unpublished)

It is important to give a chance for employees to decide on their own based on the scope limit and prepare the career path a head of time by themselves. Training, job rotation and supervisors' advice may help for this. Andrew (2011) describe, to enhance individual



factors in career management and employee development, employees need to engage in career counseling, attend career workshops and seminars, use career workbooks, enroll for e-learning programs, choose job rotation and use formal and informal networks to discuss career interests and explore career options through learning and training. To boost managerial factors managers need to provide coaching, mentoring, continuous feedback on performance and also provide opportunity for growth. They should try to find out the employee's career interest and provide them the opportunities. Career paths and succession planning should be communicated to them.

To enhance organizational processes as they affect the career management and employee development organizations need to introduce systems that are fair and just. Provide opportunities for growth and development by allowing employees to engage in special assignments and provide detail information about opportunities for career growth and development. Introduce more horizontal growth and job enrichment, by providing challenging assignments and a variety of tasks to employees. Organizations need to create a proactive and developmental culture which revolves around maintaining and forging positive friendship and relations among members of various levels, job rotation and enrichment program to develop new skills and formal career guidance programs. Opportunities should be created by increasing the number of positions and roles in the organizations that are not only challenging but also where employees can experience growth and development and leverage their past experiences.

#### **b) Organizational Contribution**

Moreover, continuing development programs should be implemented by organizations as (Sreedhara, 2011) discussed the employee growth and development activities include continuing education courses, tuition reimbursement, career development skills training, opportunities for promotion and internal career advancement, coaching, mentoring, and leadership development programs. Therefore companies need to encourage individual development plans to upgrade and well acquaint their employees by the necessary skills. If each individual tries most the system allowed to do so, then the performance of the

whole operation will be high gradually. In 2010, The Individual Development Plan (IDP) Guide put it as individual development plans are tailored and describe objectives and activities for the employee's career development. IDPs can be a win/win strategy because they benefit both the employee and the organization. Employees benefit, because implementing an IDP helps them enhance their knowledge, skills, and experiences. Improved competencies help them achieve personal and career goals both inside of and external to the organization. The organization benefits by developing improved employee capabilities, work load planning, and resume needs. Competent employee performance, plus the added bonus of improved moral, and personal job satisfaction can make the organization more effective.

IDPs work by helping an employee and supervisor clarify things that are important to them and plan to achieve them. In the IDP are career objectives, and the knowledge, skills and abilities needed to achieve these objectives, as well as, activities that will provide employees the opportunity to learn and apply the knowledge and skills.. Furthermore, developing individuals may help for easy functionality of human resource management in the organization by facilitating qualified staff for effective delivery of service and competitive performance.

There are different ways to penetrate the idea of a career path in an organization for individual development by managers or immediate supervisors, as they are the first to share and look after the work case of each employee. Career discussion is one way of open conversation about the work life in the company, individual targets and organizational expectations. (Hirsh, Jackson and Kidd, 2001) devotes on the issue that, career support is more central to employees than organizations choose to recognize. Career development has little to do with the forms which get put on the end of the typical performance management system. Career development is about someone's future working life. It is a key issue for employees and they are amazed and frustrated that organizations do not engage in it properly. Promoting effective career discussions should be an important part of a wider career development strategy. Good discussions improve people's career plans but are also important motivators. Individuals were affected by good and/or bad experiences for many years.

We need to face the fact that boss-subordinate appraisal is not the main arena for career discussion. Career support is mainly the job of the line, but this should be the line management as a community, not just the direct boss. Bosses are often in a poor position to help individuals with their career issues. Individuals need to be encouraged to have a range of informal, confidential discussions with people they trust and who have the right knowledge, skills and information to help them. These will most often be other managers within the business or their peers. More formal career interventions (e.g. formal mentoring, workshops, counseling) can all be useful if the providers are chosen with care, and individuals can be supported over a period of time (e.g. by including follow-up meetings after events such as workshops).

The HR function needs to clarify its own role in providing career support to individuals. Employees and line managers want an HR function which is both active and credible in this area. We ought to recognize that people need to talk about their careers as a normal part of organizational life. Part of the strength of the idea of effective career discussion is that it makes the link between the abstract concept of 'career development' and something as tangible and everyday as a conversation. All working people need to learn how to do this well. Employees need to know how to get a good discussion as much as managers need to know how to give one. The skills and attitudes for effective career discussion need to be part of the mainstream corporate culture and incorporated into training.

To accomplish this there should be a human resource management which involves as strategic unit than traditional personnel section. This is because HRM focuses on development, motivation, training, career, and other corporate functions by adopting clear policies and procedures for overall organizational activities that involve HR efforts. Purcell (2004), cited by (Umsanhal and Ashok, 2012) gives clear evidence existed between positive attitudes towards HR policies and practices, levels of satisfaction, motivation and commitment, and operational performance. Policy and practice implementation (not the number of HR practices adopted) is the vital ingredient in linking people management to business performance and this is primarily the task of line managers.

An intended purpose of any company can be met, basically, by its strategies towards the vision and mission accomplishment. HRM, one of strategically viewed process in an organization, use HR planning, retaining and developing schemes mainly by organizing all efforts for better outcomes especially service rendering companies rely on their employee's qualification, communication and experience as service usually need face to face interaction.

## **2.5. Requirements for Career Development**

Career development is a process of rooting individual work life from the beginning to the expected higher level. It can be done through training, coaching, empowerment, promotion, formal education, using updated system and technology for effective results. There are some requirements to establish and maintain a career development system in an organization.

### **2.5.1. Competency**

Employees should have the necessary skills, ability and competency for a given job. This can be gained through direct experience on work, formal or informal education and different backgrounds interms of personal behaviour and culture. For a higher position than the one that is held currently there is no doubt how much more effort, qualification, experience and competency is necessary.

Competency to do a job using maximum knowledge, on time, with quality and quantity, by performing within the given scope and responsibility, overcome any challenges and obligations has a lion share on career development. The current global business system allows expanding competency through various opportunities than old times as the talent an employee encompasses lead the company to utilize invisible qualities that stated criterion which are needed for selection and promotion. (Brown and Hesketh, 2004) explained that, based on employees talent, competency, maturity, ability, communication and attraction, the reward of a fast track appointment is the preservation and development of one's individuality. They are more than a cog in the machine, but someone whose efforts, skills, and talents could make a difference to the company. Gone are the days of the off-the-shelf career package with neat diagrams of what can be expected of a fast-

track trainee at various stages of what can be expected of a fast track trainee at various stages of their career. Analyzing individual working attributes lead organizations for great success as it facilitate good selection, job assignment, succession and planning human resource availability.

### **2.5.2. Organizational Structure**

It is a ladder for every position in the organization for smooth flow of information and tasks up and down in the hierarchy. Many organizations use this as employee career path as a main requisite or vacant fulfillment. But this has its own negative impact i.e. neglecting employees' capacity and individual interest just growing up in the ladder up doesn't mean a person is promoted effectively and she/he can do the job as expected. If so, other parameters including the performance, organizational target, nature of business should be accompanied for best results. Organizational structure may be tall with more of downward pressure and low upward interaction or flat with different work units at limited departments and improved transfer of work and information. (Bender et al, 2008) described the career development and hierarchy in an organization as, sometimes, the firm's organizational structure and career paths remain remarkably stable, even in turbulent times. But in the other side, the firm becomes top loaded and promotions are blocked when, in all tiers of the firm's hierarchy except for the lowest one, both:

- a) More managers are hired from the outside market
- b) Fewer managers leave the firm

In general firms are frequently limited in their capacity to maintain career paths and other elements of internal labour markets when their environment changes.

### **2.5.3. Learning and Training**

Learning is a change of behaviour. In organizational context learning needs to acquire new knowledge, innovate or create ideas, adopt environment and cop up challenges. Training is one way of learning and developing skills for performance and increasing productivity. Learning and training may be formal or on the job at a continuing basis.

As International Labour Organizations (2002) discussed the situation, learning and training for work in a lifelong learning perspective are a means to empower people, improve the quality and organization of work, enhance citizens' productivity, raise workers' incomes, improve enterprise competitiveness, promote job security and social equity and inclusion. Education and trainings are therefore a central pillar of standardized work. Human resources and skills are becoming the key competitive instrument in internal markets for goods and services. Workers will need more knowledge and higher technical skills in order to be able to exploit the productive potential of advanced technologies, particularly ICTs. They will also need new behavioral, team work and social skills to help them adjust and retool rapidly: as markets, technology, work organizational and opportunities change, knowledge and particularly skills quickly become obsolete and have to be renewed on a continuous basis.

#### **2.5.3.1. Organizational Policy and Learning**

Learning is not limited to individual level. Organizations can learn and improve their work conditions for employees and the environment for clients. Every organization has rule and regulation to abide by and accomplish a given task. These rules are formulated by the concerned, communicated to employees and even for stakeholders as the need arise. To prepare these governing articles, as HR is one aspect of an organization and usually focus and guided by personnel policy manuals, procedures and benefits, the users including managers, employees, board members, legislative organs and others should be bear in mind before laid down for practicability.

Also, amendment, revision and change of this document is obligatory since the dynamism in every aspect of work life is becoming frequent. Static views are not as such attractive and not much helpful for selection, retention, development and career pathing of employees. If policies are prepared for easy going of individual and organizational objectives, then both parties will be bounded by, based on their willingness and gain. (Lecuyer, 2002) comply about this as, in organizational

learning if there is great pressure for change and the actors agree to change conventional standards. (e.g. new work rules are instituted by promoting a different approach to the user, favouring advice over supervision in the case of labour inspectors, or offering specialization for career facilitation units following the introduction of self-service facilities, it is no longer enough simply to adjust old rules and make them more precise. They need to be amended or changed, and new ones established. The first step consists in recognizing that the rules must be changed, rather than managing better with the old ones. Establishing new rules inevitably sparks conflict. Consequently, what needs to be done is to create situations prompting individuals and groups to invent solutions, such as fine-tuning for which they must be trained and the appropriate testing carried out, so that they develop new rules within this situation of mutual independence. Change is essential when the actors were aware of their inability to solve a problem within the framework of old rules. They need to invent new ones, and this can be done only by allowing individuals faced with a new situation and therefore a different set of relations to assess these new rules through trial and error.

Furthermore, it must be ensured, on the one hand, that these new rules are assimilated by the different groups with the organization, which pre-supposes that they have provided a sufficient response to the requirements of the actors and the demands of the situation, and, on the other hand, that all the actors, and not only those directly involved, have used these rules enough times to have memorized them. Every activity has its own step and conditions. Companies follow procedures for leading employees and managing work schedules. Therefore, policies are baselines for taking action, interacting with workers formally, communicating with different units internally and externally, and for overall survival of the company's system.

## **2.6. Outcomes of Effective Career Development Practice**

Career development is a lifelong activity of learning, training and developing individuals and organizational performance as well. If employees are interested, challenged and keep their personal path based on existing organizational system, they will be motivated, loyal, developed professionally and retained for long.

### **2.6.1. Career Development for Motivation**

Employees can be motivated through benefits, challenges, variety of jobs, promotion, growth, compensation and feedbacks from internal and environmental parties. Well practiced career development in an organization helps to motivate employees by growing them, creating challenged new task in their work life, giving opportunity to optimize their potential, facilitating a way to pass through in the career path, compensating their efforts by different means and rewarding material or mentally by recognition, participation and being valuable for the job. (Katz, 2004) initiated that, if organization's employees believe their work is challenging, innovative, significant and exciting, then no demands are so difficult that they cannot be met. The degree of motivational potential of any specific job, then, is dramatically influenced by how a person views the job assignment on which he/she is working at a given point in time, including how tasks, information, reward, and decision making process are organized, structured and managed.

### **2.6.2. Retention of employees and Reduction of Turnover Rate**

Employees have to be retained for long in order to utilize the capacity held in their mandate. Career development is useful for reducing the rate of turnover by increasing individual's motivation, growth, meet personal career interest and satisfaction level. Organizations may lose talented, professional and experienced employees if individuals' assumption in terms of career development is not well satisfied. The more an employee goes up with the needed level of competency, benefit and value, then the same is true for the company as all the fruits are to be collected for high performance and profit whether it is directly or indirectly



achieved. Right Management Guideline confirms that during economic conditions, the last thing companies want is to lose their best people. This will, in turn, result in the loss of intellectual capital, decreased productivity and increased cost of hiring and training. Of significance is the negative impact on client relationships and customer service experienced when key people leave. Researchers found that when employees experienced a favourable climate for career growth it had a significant impact on retention.

### **2.6.3. Professional Development**

Work life has its own ethics, discipline, obligation and regulations. And all of them should be followed strictly by an employee to survive in a given company. The ethics or discipline in one profession may be different from the other in terms of job position, nature of the business, risk factors, internal and external communication systems. Nevertheless, each individual must accept work and move in every direction towards the common goal i.e. being competitive and well performer. To make these real, employees should be assigned in different positions to acquire various skills and abilities, in the mean time developing their career professionally. (Thomas, 2009) defined, the sense that one is working on meaningful tasks, making choices, performing activities well, and actually achieving the task purpose gives workers evidence that they are developing professionally. This also, in addition to intrinsic motive, lead to innovation i.e. to exercise their intelligence in choosing new ways of accomplishing a purpose.

## **2.7. Challenges for Career Development**

In the current market situation everything has to be changed based on the global business system to insure the existence. And no company can be out of the market system. At the same time challenges are growing for every activity in an organization as environment, people, technology are altering. Some of them are stated hereunder.

### **2.7.1. Highly Varied Individual Motives**

The more the environment is changing, the same will be on individuals change of interest and high demand on work variety, compensation, benefits, salary, office layout and others. Hence,

understanding individual interest helps to categorize the career path, job assignment, planning and measuring activities. To fulfill and match the interest between organizations and employees, it is better to gather different personal and work related attributes and then analyze it to job oriented behaviours (shaping, coaching, and mentoring). In 2003, Jane (op. cit) indicates that understanding the motivation of people at work means admitting that different things will have different values to different people. This suggests that we need to understand that those who work with us may not have the same orientation to work as ourselves.

We all have different reasons for going to work and we want different things from work. Some of us are looking for totally involving jobs that offer opportunities for responsibility and recognition, for example becoming general managers. Others are looking for a little more money and the freedom to get on with things away from work. We have different attitudes to work.

### **2.7.2. Company Mergers and Downsizing**

Merger of two or more companies becomes common nowadays. This is because, it helps to administer, recruit, and handle customers with limited manpower and internal capacity. Also, intellectual aspect to run the business is considered. Hence, companies need to downsize the number of their employees and this leads to discouragement of individual career path expectation. This becomes the unsolved dilemma for companies to satisfy the need of employees and the organization at the same time and stay in the vibrant business environment.

### **2.7.3. High Learning Leads to Easy Resignation**

Increasing organizations, professional bodies and the government are emphasizing the need for individuals to develop and learn throughout their lives so they can cope with the rising speed of change. The argument is made that the more learning undertaken, the easier it becomes and the more confident the individual will be in facing new changes and moving from the employer to another now that lifetime employment is rare (Jane, op. cit). Accordingly, the career path application in organizations gives a chance to employees to get a better learning while doing variety of tasks through different positions. But the consequence that lead employees to be more employable by any company lets organizations minimum control on their staff members.

## **Summary**

Career development is a long run process by which employees can be responsible and capable to be assigned in every position based on their ground and organizational working system. This includes assigning, delegating them to different tasks, empowering, coaching, training, standardizing performance appraisal, following-up and documentation of every achievement of individuals, communicating information through transparency and participative way, motivating, satisfying of employees and others. Organizational capacity, objective and external factors should be considered for effective implementation.

The other point is that main participants in career development are individuals and the organization. The effort made by the two can lead to success and mutual benefit in the area. Employee's perception towards organizational achievement and their personal development matters on career development. Individuals should have plan to accomplish own achievement by conjugating with organizations objective than waiting for only one side determination. However, there are challenges to be faced like merger and acquisition of companies, high educational level of employees leading to high expectation, unlimited need of individuals and more.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHOD**

Research design and method indicates how the target population is chosen, subjects are selected and information is accessed. Moreover, procedures for collecting, organization and analyzing data were explained. Explanation on what techniques were held in the process, approaches applied and ethical considerations taken is considered. In a single study, multi-methods may be combined in order to compensate the disadvantage of one method to the other, to gain the confidence by addressing the most important issues and ensure that the data are telling what already thought they are telling. In this chapter the research design, instrument of data collection, population and sampling techniques, method of data analysis and ethical considerations are discussed.

Qualitative research is applied in this research. Because it is more concerned with understanding why people behave as they do: their knowledge, attitudes, beliefs, fears, etc.

Qualitative research allows the subjects being studied to give much 'richer' answers to questions put to them by the researcher, and may give valuable insights which might have been missed by any other method. Not only does it provide valuable information to certain research questions in its own right but there is a strong case for using it to complement quantitative research methods. (Peninsula Research and Development Unit, Help Sheet, No year of publication).

#### **3.1. Research Design**

Research design is the conceptual structure within which research would be conducted. The function of research design is to provide for the collection of relevant information with minimal expenditure of effort, time and money. Descriptive research was applied to the study for describing the existing situation and it is followed by finding gap with the standards that are supposed to be implemented. This includes surveys and fact-finding

enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

### **3.2. Population and Sampling Techniques**

Sampling helps to minimize bias and address the target population easily. The bank has 2121 employees in its 36 city and 19 outlying branches led by 10 departments at head office. Here, the sampling technique followed was stratified sampling by first dividing city and outlying branched and select 14 branches in A.A. as the major operation and number of staff are accumulated there. Each stratum has homogeneity of personnel and operational activities. Then 6 grade IV and III, 8 grade II and I city branches, and 10 departments at head office were selected. Stratified sampling is done by dividing the population into two or more relevant and significant strata based on one or a number of attributes. (Saunders et al, 2003). The basics for selecting these branches are higher grade branches have work load, their location is around trade centers like Merkato and experienced employees than the other ones with high number of staff.

Interview was conducted with 12 supervisory and middle level management staff members, which include 3 department managers, 4 branch managers, 2 division heads, 1 deputy department manager, 2 deputy branch managers. Pilot study was applied to 20 employees before the final questionnaire distribution.

Thus, the more specialized and work hard; employees expect more career path for development relative to the others. Next to this, 8 employees were selected randomly from each branch as shown below.

Total population of the bank	2121
Total population of 36 city branches	1050

Employees having 2 years and above experience in the bank	840
20% of 840 (Sample size)	168
Minus: 10 Departments (5 employees from each)	<u>50</u>
* 8 or more employees from 14 branches	<u><b>118</b></u>

The basis for determining the number of respondents was sample size which was taken randomly. Then the number of employees from each branch was allotted by distribution of the total sample size. Mostly in one branch there are supervisory, clerical and non-clerical employees are assigned. And from these the clerical ones were selected for questionnaire response purpose.

### **3.3. Sources of Data**

The data collected were primary data type, by interviewing supervisory personnel and administering questionnaire to employees in the selected 14 branches in Addis Ababa. Selection was made by preferring those who have been working in the bank at least for two years. Also secondary data were collected by reviewing previous records, manuals, formats and others which help to gather information on bank's practice and other related points on career development.

### **3.4. Instruments of Data Collection**

The data collection was based on direct sources by looking at the sample documents that are related to the case. Close ended type questionnaires were distributed to employees of the bank in line with making a detail problem analysis. While, at last open ended question which asks information on general idea on career development was included.

“At its simplest, a questionnaire is a list of questions used to collect information. There are two ways in which respondents (the people completing the questionnaire) may answer the questions. The first is an interviewer may read the questions out loud to a respondent who answers verbally. The interviewer then writes the answers down. This is usually known as a structured

interview. The second is a printed copy of the questionnaire is given to the respondent who then fills it in and returns it to the interviewer. This method of collecting information is the one that we generally mean when we say 'questionnaire'." (Coleg Gwent Learning Advisors, 2011)

Thus to handle large number of respondents, who are non-supervisory personnel, it is better to use questionnaire for data collection. Furthermore semi-structured interview was scheduled with the concerned management bodies to direct the study close to real situation. It is used because it provides much more scope for discussion and recording of respondents' opinions and views (Sahajahan, 2004).

### **3.5. Procedure of data collection**

In the research, there were 168 close ended questionnaires distributed to employees of the bank. Out of these 156 of them (92.8%) returned back and 12(7.6%) could not be collected. The analysis was based on 156 clerical employees' questionnaire response and 12 supervisory personnel members' interview information. The standardized error on the whole analysis process is 0.05 and the percentage is considered to the nearest previous decimal.

Interview was scheduled with 12 senior and middle level management bodies which include 3 department managers, 4 branch managers, 2 division heads, 1 deputy department manager and 2 deputy branch managers. Whereas, questionnaires were distributed to 50 employees in 10 departments (5 from each) at head office and 14 branch staff members by taking 8 or more clerical employees randomly from every category. This helped for aligning the idea of the beneficiaries (employees) to the higher organs. The whole questionnaire was administered based on the requirement i.e. employees who served the bank at least for two years. Pilot study was conducted to 25 employees before the final questionnaire distribution is made.

### **3.6. Method of Data Analysis**

“Data analysis consists of three concurrent flows of activity- data reduction, data display, and conclusion drawing/verification”. (Savenge and Robinson, No year of publication)  
The data analysis was held on searching for relationship that exists among the data groups using descriptive statistics which include frequency table and equivalent percentage having each description and interpretation. Word processing and excel were used for tabulation and interpretation purpose.

The responses from questionnaires were categorized into seven tables each having their own topic for assessment. The interpretation was established on the findings from the data. Following was discussion on the points and what they indicated based on the answers given by majority of the population using likert scale having five options for each questions.

### **3.7. Ethical Considerations**

The collection of data was done by confirming respondents that their responses are confidential. Research ethics refers to the appropriate behavior of research concerning to the rights of those who become the subject of the work or are affected by the work (Mark, Philip and Adrian, 2003). Thus, the anonymity of participants has been given due care and the volunteer participation, as valid and reliable source, was highly respected.



## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

Respondents were asked different questions about employee career development system of the bank to assess employee's position and feelings on objectivity of the system and its effect on the performance of the Bank. Subsequently, their response is analyzed and presented by aligning the response of interview informants with each related questions below interpretation of data in the table. The interview conducted was helpful for elaborating the points raised as a management side view. The questionnaire has divided in to five major categories in addition to personal data and general comments on the overall process.

#### **4.1. Characteristics of the Respondents**

Respondents were requested for informing about their gender, age, educational level and work experience to gather the necessary data in relation to career development as whether they are male/female dominant, young/adult enough staff, qualified/under and junior or senior members. These all characteristics confirm the organizations employee career implementation practice from the base.

##### **a. Questionnaire Respondents**

Respondents were selected based on their experience in the bank at least for two years. The personal background is reviewed in the following manner.

**Table I – Distribution of Respondents by Gender, Age, Educational Qualifications and Work experience**

<b>a. Gender</b>	<b>Number</b>	<b>Percentage</b>
Female	66	42%
Male	90	58%
<b>Total</b>	<b>156</b>	<b>100</b>
<b>b. Age</b>	<b>Number</b>	<b>Percentage</b>
20-25 years	33	21%
26-30 years	69	44%
31-35 years	27	17%
36-40 years	21	13%
≥41 years	7	5%
<b>Total</b>	<b>156</b>	<b>100</b>
<b>c. Educational level</b>	<b>Number</b>	<b>Percentage</b>
MA/MSc	2	1%
BA/BSc	107	69%
Diploma	47	30%
Below diploma	-	-
<b>Total</b>	<b>156</b>	<b>100</b>
<b>d. Experience in the bank</b>	<b>Number</b>	<b>Percentage</b>
3-5 years	105	67%
6-8 years	32	2%
9-12 years	17	11%
>12 years	2	1%
<b>Total</b>	<b>156</b>	<b>100</b>

**a. Gender** - As can be seen in the above table, 58% of the respondents were male and the rest 42% include female employees. Thus, the number of male employees is more than the female ones. But the difference is not in large proportion as the bank usually promotes as an equal opportunity employer. Also, fair distribution of gender on clerical positions was seen as this help for strengthen the organizations manpower fulfillment using different skills.

**b. Age** – The table shows that more employees' age lays in the range between 26-30 years i.e. 44%. The rest 21% ranges 20-25years, 17% (31-35years), 13% (36-40years) and 5% ages 41 and more years old. Hence, the majority of employees are between 20-30 years old indicating young population is high. But to some extent, senior staff members, having

more experience and lifelong skill is less. On the other hand, the need for high career development, benefit and updated system is more expected by the younger age group.

- c. Educational level** – 69% and 30% of the respondents were degree and diploma holders respectively as tabulated. The rest 1% have second degree. This shows most employees have expected level of education for the operation in the bank that is a minimum of diploma requirement for clerical positions.
- d. Work experience** - Based on the respondent's work experience in the bank, more of the employees stay (67%), 3-5years, 21% worked 6-8 years, 11% stayed for 9-12 years and 1% experienced more than 12 years in NIB. Here, the seniority, somehow, is blocked much at 5 years and then upto 8 years. So that most employees are retained on average but long years experience in the bank is almost unanticipated and this also confirms the gap on loyalty, belongingness and others resulting in and lack of planning a head for ones career in the bank.

**b. Interview Informants**

Interview was scheduled with supervisory personnel for more elaboration and two side clarification on the case. Supervisory and management level personnel are those who have a decision power based on their scope and intermediaries between subordinated to higher organs in the bank. This includes department managers, division and section heads, branch and deputy managers, in addition to other assigned employees.

**Table II – Background of interviewees**

<b>a. Gender</b>	<b>Number</b>	<b>Percentage</b>
Female	3	25%
Male	9	75%
<b>Total</b>	<b>12</b>	<b>100</b>
<b>b. Educational level</b>	<b>Number</b>	<b>Percentage</b>
MA/MSc	2	16%
BA/BSc	8	68%
BA + ACCA	2	16%
Diploma	-	-
<b>Total</b>	<b>12</b>	<b>100</b>
<b>c. Experience in the bank</b>	<b>Number</b>	<b>Percentage</b>
1-3 years	2	17%
4-6 years	4	33%
7-9 years	4	33%
≥10 years	2	17%
<b>Total</b>	<b>12</b>	<b>100</b>

- a. **Gender** - Gender distribution of the informants is 75% to 25% with huge difference as the bank has a minimum number of female supervisory level personnel. This put the bank's equal opportunity policy under question when it comes to higher organizational level as the shown in the data and observed only few in the bank.
- b. **Educational level** - Educational level of informants is at good position as shown in the above table. Most of them are BA holders and the rest MA and ACCA certified ones. In relation to experience, they have more of 4-9 years of service, including below 4 and above 9 years long in the bank. Thus, qualification as one career development part, it is supportive in addition to long experience.

**\* Management View**

1. How long have you been in the current position?

It is indicated by informant's response that, most of the informants have been in the current position they held for more than 2 years and some less than it. Thus, the information gathered becomes more reliable.

## 4.2. Data Analysis and Interpretation

The respondents were expected to choose from Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD) and Neutral options (or other scales with the same sequence) based on the given assumptions.

**Table III – General Opinion on the bank**

Item	Description	SA	A	D	SD	N	Total
a	The bank's mission statement is clear for me.	35	78	20	14	9	156
		22%	50%	13%	9%	6%	
b	I am assigned to the position which is parallel to my qualification.	17	51	48	27	13	156
		11%	33%	31%	17%	8%	
c	I am provided with job description on time.	19	62	49	22	4	156
		12%	40%	31%	14%	3%	
d	The bank has good image compared to other banks.	28	84	28	6	10	156
		18%	54%	18%	4%	6%	
e	I have got training before assuming the current position.	35	48	48	20	5	156
		22%	31%	31%	13%	3%	

- a. **Mission statement awareness** – In this respect, 72% of the respondents agree that they have clear idea about the banks mission statement, 22% didn't agree and the other 6% align their response to neutral. Thus, most of the employees know the banks reason of existence and can be abide by the rules to achieve the goal of the organization and individual interest.

- b. Parallel position** – From the respondents, 48% are not assigned to the position which is parallel to their qualification. Whereas, 44% agree that the current position relates to their qualification and 8% remain neutral on the case. The point here is the bank doesn't still proportionate employees ground and position they held. But it is also seen that somehow there is an effort to utilize employee's capacity by assigning to the right working area.
- c. Job description** – The table shows 52% of the respondents have job description give to them. But 45% of employees not provided and 3% assumes neutral. It is clear that job description helps as guideline for what to do, what is expected, to whom to report and others. Also an employee can measure herself/himself to what extent she/he is doing in line with the stated objectives. In consequence, eventhough more than half of the total employees are provided with the job description but large numbers of staff have no description yet. The findings show that many employees in the bank do their job without guideline and copying from others traditionally rather than standard instrument.
- d. Good image** – Most employees i.e. 72% agree on the good image of the bank gained than others. But 21% of them didn't agree and 6% have no claim on the issue. Hence, the bank has good image than other banks but somehow it is less than expected. Then after, this lead employees confidence and dependability on it to be declined gradually inaddition to the loss in the individual's long career achievement.
- e. Training and position** – In the table above it is depicted that 53% of the respondents get training before job assignment. Among the rest 44% disagree on it and 3% stayed neutral. This clarifies that majority of the employees get training before assuming position and it is a good practice to start from the scratch in developing career path of employees.

**\* Management view**

1. How much is the employee career development practice of the bank aligned with the strategic objective/mission?

From the response given by interviewee, it is informed that in the mission statement of the bank "... motivated staff and state of the art technology" are the bank's reason of survival. But in reality the motivation part of employees is not done as expected. This is

because of benefits, salary, training, promotion, work environment and other related problems.

2. Does the bank have written policy regarding the application of career development? How it is communicated?

There is a personnel policy in the bank. It states the promotional and performance appraisal aspects but the policy is not known by the majority of employees including supervisory ones. Usually requesting information in relation to personnel matters is done through memorandum or telephone because of lack of transparency and it is just the manual at hand rather than discussion. Even some amendments are not communicated to supervisors on time.

3. What do you think in the current new employees (trainee bankers) treatment in the bank?

It is believed by all that it is good to recruit fresh graduates and train them for position assignment. But, the problem is for instance a degree holder trainee banker who is recruited newly gets higher position than the existing staff who has the same qualification. This influences the willingness of senior staff to train (mostly on the job training is given) new ones as they are experienced but not assigned to the right position.

Moreover, follow-up on the training of new recruits is not well done, usually by the concerned and sometimes they may not get the right area of operation for the on job training scheme. Then after, they are assigned to permanent positions with lottery system but with some evaluation grounds. Hence, this is one factor that, the resignation of junior staff is high and the bank is also becoming training center for other organizations as they catch the attention of skilled manpower by using a little more benefit and retaining mechanisms.

**Table IV– Career Development System in the Bank**

Discussion points are presented in the following manner for creating interrelationship between the results.

\* Very likely (VL), Likely (L), Unlikely (UN), Very Unlikely(VU), Neutral(N)

<b>Item</b>	<b>Description</b>	<b>*VL</b>	<b>L</b>	<b>UN</b>	<b>VU</b>	<b>N</b>	<b>Total</b>
a	I clearly know the promotion policy of the bank.	12	38	43	42	21	156
		8%	24%	28%	27%	13%	
b	There is a training schedule applied periodically.	12	49	59	24	12	156
		8%	31%	38%	15%	8%	
c	Job performance is the major criteria for promotion.	20	37	49	42	8	156
		13%	24%	31%	27%	5%	
d	Sufficient promotional benefits are held in the bank.	10	37	59	31	19	156
		6%	24%	38%	20%	12%	
e	The criterion for employees testing is appropriate.	12	42	50	27	25	156
		8%	27%	32%	17%	16%	
f	Employees can get promotion information easily.	13	34	68	30	11	156
		8%	22%	44%	19%	7%	
g	Internal employees compete for an over position before external vacancy.	12	39	63	27	15	156
		8%	25%	40%	17%	10%	
h	Employee track records are kept by the concerned well.	16	54	40	21	25	156
		10%	35%	26%	13%	16%	



- a. Promotion policy** – In relation to the promotion policy 55% have no idea on it. The other 32% know about the policy and 13% remain neutral. Policy is an instrument (rule and regulations to be arise) to be abide by and work with it. Every policy in the organization should be communicated to employee's inorder to be regulated. Promotion is one way of career advancement and every procedures, pre-requisites and post requirements should be clear for better implementation.
- b. Periodic training** – As shown in the table 53% of the respondents believe there is no training schedule held periodically. Out of the total 39% believed it to be likely on time schedule and 8% neutral. Training is important for updating, giving knowhow on new systems and refreshing existing skills. It should be given periodically based on the allotted time frame in the plan.
- c. Performance Vs promotion** – According to the response in the table above, 58% of the employees accept performance is not likely the criteria for promotion. Whereas 37% assumes performance is the major ground for promotion and 5% remain neutral. Employee job performance should be assessed and measured for better achievement. Employees will have a chance to be more developed based on their good performance and corrected to the direct way in case of poor performance for self development and organizational outcome.
- d. Benefit Vs promotion** – With this regard, 58% of the respondents believe it is unlikely to get sufficient expected benefits compared to other banks in relation to promotion. The rest 30% confirm there are promotional benefits and 12% responds neutral. Promotion usually leads to a better position, salary and other benefits inaddition to the responsibilities. Thus, the benefit and extra improvements should go with the promotion an employee acquires on the job. More encouragement and enthusiastic work performance can be gained while empowerment of employees for career achievement at the same time held, if promotion is enclosed by the necessary benefit schemes. As the majority does not accept sufficient benefits, this indicates currently the bank fails to do so.

- e. Criterion for employee testing** – At this point, 49% of the respondents assumes the criteria is unlikely to be liable for employee testing. But 35% believe on it and 16% admits as neutral for the point. Hence, the majority of employees are not welcomed by the banks testing mechanisms for advancement. This may lead question on the trust between employees and concerned management as relevant points are not set to measure the skill and knowledge necessary to the job.
- f. Promotional information** – It is shown in the table that, 63% of the respondents cannot get promotional information easily. On the other hand, 30% believe it is likely to get information easily and 7% wait neutral. This indicates majority of employees have no access for career information by the bank side and the communication system is not as such transparent. Hence, employees cannot prepare themselves with the necessary qualification and the bank will not rely on its staff by being ready for replacement.
- g. Internal Vs external vacancy** – In line with this, 57% of the respondents reply that internal employees chance of competition for better position before external vacancy is unlikely held in the current system of the bank. Whereas, 33% respond it is done for internal's first and 10% answer is neutral. Internal manpower should be exhaustively assessed before posts are out for external vacancy except new blood injection demand is necessary. The bank uses internal and external vacancy system inappropriately as the majority believes competition for an over position before it is posted externally is less likely to happen. As a result the bank will face extra costs for recruitment and training. Moreover, existing employees will be discouraged as their expectation for promotion becomes doubtful.
- h. Employee track records** – Accordingly, 45% of the respondents believe that employee track records are kept by the concerned well. But 39% hesitate that it is unlikely and 16% reply neutral. As overall ratio, 54% are not satisfied by the banks employee document

recording mechanisms. So that, decisions on training need, educational achievement, promotion and others may be done without concrete evidence. It is critical for employees to get every career opportunity in the bank and updated records are the major grounds for easy way of processing personnel matters.

**\* Management View**

1. What are the basics for employee promotion in the bank? Are they fair? If not their effects on overall performance before and after implementation.

The response justifies that educational qualification, job grade, work experience and performance appraisal results are requirements in the policy. But in practice it is friendship, kinship, and other lobbying mechanisms are applied to get promotion. It is not potential wide and job grade is the first factor before considering all the others. Hence, weather the employee has high qualification or experience if the job grade is not approximate to (only one grade difference) the vacant posted, the chance for competing and conducting interview will be limited. And sometimes it is visible that many employees assigned to different positions without competition and examination while others still perform well but not allowed to get promotion.

On the contrary, some interviewees respond that, currently the bank faces excess manpower interms of educational qualification and the open positions are limited. Unless the management restructures the current personnel system or branch expansion consumes the existing demand (before recruiting externals), the chance of promotion is less and it becomes the major reason for employees to resign.

The other spot here is that, usually employees who got the chance for promotion didn't assume their position during the period stated in the personnel policy of the bank that is

maximum two weeks to stay in the previous place. Moreover, benefits related to promotion for example salary increment will not be given if an employee promotes after the second quarter. This hinders the real benefit an employee should get in the given year. In addition to others, some informants reply waiting list process for promoted employees is not fair as it needs 6 months and an employee should wait for it but in the mean time, other vacancies will be missed if it is not performed as per the schedule.

2. How much effort is done to inform employees on the availability of future vacant posts earlier? Internal versus external vacancy application?

It is replied by most informants that there is no information of future vacant. When considering recruitment system of the bank sometimes internal and external vacancies may be posted at the same time before exhaustive assessment of manpower is taking place. Eventhough, in some areas external applicants' employment is mandatory, the current practice discourage the ones who have capacity and necessary grounds for the position internally.

Additionally, recruitment of new employees having less qualification than internal's is done because of the minimum requirement. This highly demoralize professionals and seniors as it can be seen from the rate of turnover i.e. migration of skilled manpower.

3. How is manpower planning implementation in your department/division/branch?

Most of the respondents claim that, they usually do staff strength report monthly and manpower requirement plan annually. But their need generally do not fulfilled as per the request as the HR department is extremely centralized with domineering effect on assignment of employees.

Mostly, supervisors have no idea about their subordinates ground, qualification, experience for training need, delegation and other related purposes. This kind of information is gained informally from employees than authenticated information from HRD. Sometimes an employee may be transferred without the consent and prior notice of the manager, who may plan to delegate that person under his supervision for some purpose i.e. communication on personnel matters is really with a gap and lack of transparency.

4. Do you think the HRD and administration department apply updated systems and information technology oriented work processes? Why?

At this point most of the informants believe that the current working method of HRD is somehow backward relatively to others as everything is extremely centralized and confidential, some procedures are theoretical but not practical, manual processing is more done than updated ones and the knowhow of HR personnel on operation is not enough for training, assignment, recruitment, promotion and better communication.

The above factors influence, the supervisors decision making power on their subordinates as they have no clear information on them and policies except limited meetings. Sometimes supervisors recommend subordinates for better position as they are front liners to the operation and customers but the response from HRD is not welcoming. Also on the other hand they suggest poor performers to be trained or transfer to other areas where they are capable of but still the acceptance is limited and considered more personal than job oriented.

**Table V – Employees Perception towards Career Development**

Employee's insight towards career development practice in the bank was assessed and tabulated hereunder.

\* Highly supported (HS), Supported (S), Low support (LS), No support (NS), No Answer (NA)

<b>Item</b>	<b>Description</b>	<b>* HS</b>	<b>S</b>	<b>LS</b>	<b>NS</b>	<b>NA</b>	<b>Total</b>
a.	My supervisor recognizes job related efforts.	19	29	62	36	10	156
		12%	19%	40%	23%	6%	
b.	I have given a reward for my job achievements	11	17	42	55	31	156
		7%	11%	27%	35%	20%	
c.	I clearly know the objective of the bank	39	40	53	17	7	156
		25%	26%	34%	11%	4%	
d.	There is equal promotional opportunity in the bank	13	12	36	70	25	156
		8%	8%	23%	45%	16%	
e.	The training system of the bank helps employees to upgrade their skill.	28	30	48	33	17	156
		18%	19%	31%	21%	11%	
f.	I have given a training opportunity at least twice a year.	14	15	34	77	16	156
		9%	10%	22%	49%	10%	
g.	My personal expectations are met in the bank.	17	17	46	56	20	156
		11%	11%	29%	36%	13%	
h.	Job performance discussion is encouraged by my supervisor.	17	25	55	44	15	156
		11%	16%	35%	28%	10%	
i.	In my opinion, personal job related achievements are documented well by the bank.	23	25	34	52	22	156
		15%	16%	22%	33%	14%	

- a. Recognition by supervisors** – This can be seen in the table as 63% of the respondents didn't get recognition from their supervisors. But 31% supports the idea of the recognition and the rest 6% opts neutral. It is clear that the majority of employees have no chance of recognition by the concerned. The result in this leads to dissatisfaction and lack of credit to what is done by the employee for future reference in the career.
- b. Reward** – It is indicated in the table that 62% of the respondents didn't get a reward for their job achievements. Whereas, 18% have got a reward and 20% remains neutral for the issue. Thus, almost 82% of employees had no chance of reward to support their efforts. This affects the way of doing assigned tasks by minimizing the necessary effort and increasing discouragement.
- c. Objective awareness** – In this response, 51% of the respondents are clear with the bank's objective. The remaining 45% employees do not support the objective as being clear to them and 4% stayed neutral. Every employee should have known the objective to attain the necessary requirements and target accomplishment. The majorities have the direction but equivalent number of employees does not have the expected knowledge on the bank's objective. Employees can reconcile their career objective with the bank if the awareness is created on time.
- d. Equal promotional opportunity for all** – In this regard, 68% of employees do not support the existence of equal promotional opportunity for all employees. The other 16% convinced on the equal opportunity and the rest 16% neutral on it. Large number of employees has no equal chance for promotion. But it is one of the key elements for development by giving more responsibility and scope to an employee to gain the necessary knowledge and skill.
- e. Training system** - As shown in the table 52% of the respondents do not support the existing training system's helpfulness. But 37% think it's helpful and 11% abstains

neutral. Training should be given based on demand for fruitful result and continuous assessment on it is mandatory by participating employees on the how to area of implementation. From the data gathered, the bank's training means is not acceptable by the greater part of employees.

- f. Training twice a year** – The response for this point by 71% of the respondents is that they didn't have a chance to get training at least twice a year. Although, 19% of the employees are given, and 10% remains neutral on the issue. Hence, the majority of the employees do not get training in a year even front line clerical employees. Bank as a service rendering company, should have work much on training especially for non-supervisory personnel because of their direct contact to customers. And also, employee's confidence on the job will increase through time if the expected skill is gained from training.
- g. Personal expectation versus the bank** – In the table, 65% of the respondents not support the idea that their personal expectations are met in the bank. Where, 22% met the expectation and 13% waits as neutral. The majority didn't align their expectation to the bank so that this leads to the belongingness, individual career interest and job satisfaction level under question.
- h. Performance discussion** – As depicted in the table, 63% of employees do not get encouragement on job performance discussion. On the other hand 27% support the existence of supervisors' encouragement and 10% neutral. Discussion on the job, between supervisors and subordinates is highly expected for problem solving, upgradation and better work environment. As most employees in the bank do not encouragement to job performance discussion with their supervisors, there are information and communication barriers on the flow of work.



- i. **Job achievement recording** – The point here is 55% of the respondents do not support the opinion that well documentation of employees' job achievement by the bank. The remaining 31% believed and 14% assumes neutral. Records on job achievements are helpful for employee's upward movement in the organizational hierarchy and easy categorization of manpower for the company. But here, the majority of employees have no trust on it.

\* **Management View**

1. How do you perceive poor performers variation with high ones in the appraisal process? Their impacts on individual performance.

Concerning this the informants agreed on the current appraisal format's lack of objectivity or it is not job oriented. But other factors including motivation, background, capability, training, position assignment differences have influence on poor versus high performers.

2. How do you perceive training application in the bank? Interm of relevancy, periodic, need assessment and follow-up.

According to informant's idea, there is a training division. Training is held to some coverage. But the points including relevancy, timeliness, plan and follow-up, need assessment are not concrete enough. Also there is no real communication from subordinates and supervisors to training division. Sometimes training is done on year endings (Closing period) for budget accomplishment, usually the same topics are chosen for the purpose than new ideas or repetitive pattern is held. Mostly, training is given for new employees but not for supervisory personnel (as well as development) and seniors as this create the gap of refreshing existing skill and direct person is not assigned to training rather those around may have a chance for training.

**Table VI – Employee Career Development Grounds**

The following points tabulated and detailed show respondents reply to career development objectives.

\* Very Important (VI), Important (I), Less Important (LI), Not Important(NI), No Answer(NA)

<b>Item</b>	<b>Description</b>	<b>* VI</b>	<b>I</b>	<b>LI</b>	<b>NI</b>	<b>NA</b>	<b>Total</b>
a.	Employees have confidence on working with the bank.	53	19	47	24	13	156
		35%	12%	30%	15%	8%	
b.	Employees are motivated to do assigned tasks.	51	21	47	28	9	156
		33%	13%	30%	18%	6%	
c.	The current position I assumed meets my capacity/potential.	34	20	39	50	13	156
		22%	13%	25%	32%	8%	
d.	I have less interest to resign from the bank.	27	28	38	32	31	156
		17%	18%	24%	21%	20%	
e.	The organizational ladder of promotion is clear for me.	21	29	37	50	19	156
		13%	19%	24%	32%	12%	
f.	I expect a good chance of promotion in the future.	43	13	37	47	16	156
		28%	8%	24%	30%	10%	
g.	There is equal promotional opportunity for male and female employees.	40	17	36	38	25	156
		26%	11%	23%	24%	16%	
h.	My educational achievement is considered for promotion.	36	28	32	47	13	156
		23%	18%	21%	30%	8%	
i.	The promotion system of the bank is transparent.	19	21	36	57	23	156
		12%	13%	23%	37%	15%	

- a. Confidence on work** - As shown in the table, 47% of the respondents agree on the importance of employees' confidence to work with the bank. Whereas, 45% have no confidence and 8% stays neutral on the matter. Here, it can be said that, the more the employees have confidence to work with the company, the higher will be motivation, retention of staff, personal growth, and quality of work. Currently, there is still a gap on this issue as the data shows that half of the bank's employees have less confidence on working with the company.
- b. Motivated to do assigned tasks** - The data in the table shows 48% of employees are not motivated to do assigned tasks. But 46% are motivated and 6% not clear at the point. There is an even proportion of employee's opinion in this regard. But, despite the fact that motivation is a backbone for every job assignment and career achievement, the bank has not yet fulfill this gap from the table indicated.
- c. Position and capacity** – On this subject, 57% of the respondents do not support the current positions assignment with regard to their potential. But, 35% agreed and 8% keep on neutral. Employees' capacity/potential should be the basic in addition to others, for assigning in different positions as they can exert their maximum effort and in the mean time qualify what is expected from them by the bank and individual experience. Large number of employees is not assigned to the position they are capable of in the current arrangement of the bank.
- d. Less resignation interest** – As shown in the data 45% of employees have interest to resign from the bank, whereas 35% have less interest and 20% not decided as they classify themselves to neutral. Turnover is the worst shortcoming in the performance and existence of an organization. The rate of turnover reveals the personnel handling of a company towards organizational and individual interest configuration. Almost more than half of the respondents need to resign or under dilemma to stay. It is not a good indicator for service rendering company to lose manpower especially professional ones.

- e. Ladder of promotion** – At this point, 56% of the respondents have no clear idea on promotional ladder whereas 32% do have and 12% neutral on it. Employees should know upto what level of organizational ladder (position) they can achieve to plan and make effort for their career. But, the majority of employees have less clear idea on promotional steps and accomplishment.
- f. Expected promotion** – As shown in the above table 54% of respondents do not expect promotional chance in future. Conversely, 36% expect and 10% remain neutral. Positive expectations particularly promotion has its own effect on employee's motivation and rate of turnover in a company. The findings show that , in NIB the large portion of employees does not have future chance of promotion they can expect based on the findings.
- g. Male/female promotional opportunity** – In this regard, 47% of the respondents do not support the existence of equal promotional opportunity for female and male employees. Though, 37% believe and 16% stays neutral. An equal opportunity offer in a company is mandatory in the current dynamic market. Also, it is one way of retaining employees for long if there is fair distribution of benefits and advancement opportunities. Based on the biography data of respondents, the bank offers less opportunity (mostly for higher positions) for promotional treatment of female employees.
- h. Educational achievement for promotion** – In reply to this, 51% convinced that their educational achievement is not considered for promotion. Whereas, 41% believed it is considered and 8% neutral on the request. Educational qualification is one of the criterions for progress and benefits in addition to others. The more qualified personnel a company held, the higher will be its strength to cop up different internal and external challenges. The bank has not yet give due consideration for employees educational achievement as it can be seen from the majorities response in the table.

- i. **Transparency of promotion** – With regard to this, 60% of the respondents' believed that the promotion system of the bank is not transparent. The rest 25% assumes there is transparency and 15% chosen neutral. Transparency of management's decision initiate employee's trust and willingness to be abide by rules and instructions from the concerned. Promotion is sensitive to employees if there is unfair decision going on it. The results show that, as 60% not support, the bank has less transparency and information flow.

**\* Management View**

1. How does the existing formal organizational structure help career development of employees?

From the informants, it is said that, hierarchically there is enough system for operational flow except the difficulties in general service and information technology area. But for personnel handling the structure should be changed to the current market expectation and be competitive with other banks in the industry. Because it lacks accountability, responsibility and even to whom to report (claim) part of personnel matters. It is mostly downward flow and assignment with some block of communication.

2. How is employee coaching/empowerment/delegation application in the bank?

Most of them respond that under their discretion, they are trying to help employees by directing and delegating is applied. But when considering the bank's system it is somehow not encouraged in particular branch areas for example, the password and other accesses given to supervisors and deputy managers are different. So it is risky and prohibited to transfer this kind of activities to subordinates. Thus, there has to be an improved system to enhance and allow concerned ones to some extent, to delegate and coach as much as possible by rooting trust and accountability.

3. Is there a succession plan in the bank? How is it applied? It's effect on organizational performance.

For this question, most informants reply that almost there is no succession plan in practice. But currently there are some trials to establish on a regular basis. The problem faced because of this is that if one employee get promotion to other branch, resign or leave for long by different reasons, the only choice supervisors have is burdening colleagues and themselves (this also creates difficulties on service) until another employee is assigned after long requests. Even the promoted employee may stay more than one or two months, after a letter is distributed, i.e. contrary to the personnel policy of the bank which states weeks shall be enough.

4. How well is done equal opportunity for female and male employees for promotion? Supervisory level proportion of female employees.

Concerning this, most of them assures that in clerical positions female employees are proportional but at supervisory level there is only few. This is because of the bank's side that old culture following and belief in they are not risk takers, can be easily manipulated by externals (to be cheated), measuring the gender than the potential inside and others.

In the females side, mostly they are not ready as males to shoulder new practices, endeavor for upgrading self qualification is less, some prefer to be supported for being female than self-reliance, frequent absenteeism(relatedly) without good reason and others. Even if the stated points from both sides are reasons for less number of female supervisors, it is the bank's obligation as an organization to proportionate, train, empower, believe in qualification (potential) than backward thoughts is this issue as others in the industry currently apply and keep their strength in reality.

**Table VII – Career Development Practice and its effects on Performance**

\* Highly Accepted (HA), Accepted (A), Less Acceptance (LA), Not Accepted (NA), Neutral (N)

<b>Item</b>	<b>Description</b>	<b>*HA</b>	<b>A</b>	<b>LA</b>	<b>NA</b>	<b>N</b>	<b>Total</b>
a.	The performance appraisal system of the bank is bias free.	19	18	46	58	15	156
		12%	12%	29%	37%	10%	
b.	The overall performance of the bank is at good position when compared to others in the industry.	9	22	63	44	18	156
		6%	14%	40%	28%	12%	
c.	There is a reward for good performance.	12	12	45	66	21	156
		8%	8%	29%	42%	13%	
d.	The promotion system of the bank helps for better job performance.	20	14	52	54	16	156
		13%	9%	33%	35%	10%	
e.	Information on new systems disseminate on time for employees.	16	20	53	50	17	156
		10%	13%	34%	32%	11%	
f.	In my opinion, the bank's quality of service is increasing.	16	32	52	47	8	156
		10%	21%	34%	30%	5%	
g.	In my understanding, leave of absence is requested by at least one employee in a day.	19	22	39	45	31	156
		12%	14%	25%	29%	20%	
h.	The criteria used to measure performance are equally relevant to the tasks I am actually engaged in.	16	28	50	43	19	156
		10%	18%	32%	28%	12%	
i.	I have planned to stay long in the bank.	6	10	44	64	32	156
		4%	6%	28%	41%	21%	

The relation between employee career development practice and overall performance were summarized in the above table and discussed below.

- a. Bias free performance appraisal** – As shown in the table, 66% of the respondents do not accept the existence of bias free performance appraisal in the bank. The remaining 24% accept and 10% responds neutral. If performance appraisal is done without bias, an employee can learn from it and improve her/himself for the future. But, in NIB, large number of participants believes that is done with bias i.e. the value lies on it is becoming immaterial.
- b. Overall performance of the bank** – From the data analysis results it can be shown that 68% of employees believe the overall performance of the bank is not at good position. But the rest 20% says it's in a good position and 12% assumes neutral on the case. As the majority didn't support the point, the overall performance of the bank is not at the expected level. This may indicate there is a gap on employee's side or management or else any concerned part. Also, this can influence employee's career development, where the major cause for performance declining usually related to employee's lack of standardized customer handling and operational capacity.
- c. Reward for performance** – In response to this, 71% confirms that there is no reward practice for good performance. But 16% claim there is a reward and 13% position themselves at neutral. Reward is one of the mechanisms which can encourage employees for better performance. Thus, the current rewarding system of the bank is not fair (even not exist as such i.e. only 10% agree) as the mass confirms the case.
- d. Promotion for better performance** – From all, 68% of the respondents assume that the promotion system of the bank doesn't help for better performance. While, 21% agree on it and 10% seems neutral. As the majority of employees do not accept, the promotion doesn't help for improved performance in the bank. Had it been a fair promotion structure, transparent and capacity wide, the support for better performance will be high as employees feel recognized, expect more development and belongingness when they get a chance for promotion.



- e. Information flow** – 66% out of the total respondents, as shown in the table, assures that information doesn't flow on time to employees. But, 23% accepts and 10% remain neutral. The majority didn't accept easy information dissemination in the bank. So that there is a communication barrier and timely feedback is absent. Information is blood in the current business weather it is from internal or external source. Employees can prepare or update themselves if they clearly know what is expected from them while empowering themselves for better.
- f. Quality of service** – As can be seen from the table, 64% of respondent's answer the banks quality of service is not increasing, 31% accept as growing and 5% restrained neutral. Hence, the bank's service quality is declining as indicated by the majority. As a service rendering company, this affects all employees directly or otherwise as the overall existence and profitability lies on it.
- g. Leave of absence frequency** – In this regard, 54% respond that frequency in leave of absence is not high, 24% suggest there is high absenteeism and 20% split to neutral for the point. Frequent absenteeism indicates lack of motivation on job because of different reasons. But here in NIB, it is still at good position as confirmed by the majority.
- h. Relevance of appraisal criteria** – The relevancy of criterion on performance appraisal is not accepted by 6% of the participants from the data in the table. But, 28 says it is relevant to the task they are assigned and 12% remain neutral. Performance appraisal should measure the real job with results seen upon performing. This enables employees to identify their strength and weakness easily for self empowerment.
- i. Plan to stay long** – As can be seen from the table, 68% of the respondents have no plan to stay long in the bank, 10% have plan to continue and 21% remarks neutral. Thus, us the majority of employees believe that they have no plan longer to stay long i.e. turnover will be high from time to time. It is an indicator of employee dissatisfaction and the company's treatment of employees.

**\* Management View**

1. How well is the deposit mobilization of the bank? Overall organizational performance.

The informants specify that till last budget year it was somehow smooth (2011/12). Currently, there is an increase from the same period of last year but at a decreasing rate of progress than previous years is shown. As the number of banks specially long pioneer ones in the countries market is low may be the bank still have a chance to gain profit. However, in addition to external factors, the bank is facing deposit problems that can have major influence on the functionality and employee retention.

2. How do you perceive the rate of employee turnover in the bank? Possible cause and solutions in relation to organizational and individual performance.

Informants all agreed that, it is high. The reasons behind are salary, benefits, promotion, work environment, training problems and newly recruited employees' (young) instability are stated. In addition, the newly opened banks attract employees through different mechanisms and lobbies.

Furthermore, it is highly influential that, professional, educationally qualified and senior staff members are resigning because of promotional problems. Through time, and in fact currently one of the reasons for overall performance declining phase, it will be impossible to retain those employees who are seniors, feel belongingness and loyalty to the bank. Moreover, the succession plan scheme can also be affected as there is no replacer for higher positions and the bank is usually posting vacancies externally in fear of this.

**Table VIII – Participants in Career Development Implementation**

The next table has issues on participants in career development implementation in the bank and it is enclosed by detail explanation.

\* Highly Expected (HE), Expected (E), Below Expected (BE), Not Expected (NE), Neutral (N)

No.	Description	HE	E	BE	NE	N	Total
a.	Employees are well aware of organizational job ladder.	19	20	62	39	16	156
		12%	13%	40%	25%	10%	
b.	Mostly decisions are made through discussion.	14	19	40	64	19	156
		9%	12%	26%	41%	12%	
c.	Employees' comments are well accepted by supervisors.	17	21	49	54	15	156
		11%	13%	31%	35%	10%	
d.	Employees can compete to positions they are capable.	15	24	59	42	16	156
		10%	15%	38%	27%	10%	
e.	Promotional process is done by committee.	20	22	41	38	35	156
		13%	14%	26%	24%	22%	
f.	I have trust on the concerned promotion decision makers.	11	22	39	50	34	156
		7%	14%	25%	32%	22%	
g.	I have an interest to be delegated by my supervisor on certain task.	35	31	46	26	18	156
		22%	20%	29%	17%	12%	
h.	The work environment of the bank is attractive for employees.	17	24	41	56	18	156
		11%	15%	26%	36%	12%	
i.	There is a labor union in the bank.	13	9	9	91	34	156
		8%	6%	6%	58%	22%	

- a. Organizational hierarchy** -65% of the respondents are not well aware of the bank's organizational hierarchy. Whereas 25% are aware and 10% not clear on that. Organizational hierarchy determines the flow of work operationally and promotional steps for personnel purpose. Employees should expect the hierarchy to follow for their development and organizational job fulfillment. But, in NIB, it seems large number of employees do not know organizational job hierarchy.
- b. Decision discussion** – As detailed in the table, 67% of employees not expect decision to be made through discussion. But 21% expect and 12% stays neutral. Participative way of doing things enhance belongingness and willingness shouldering of responsibilities in the mean time, increasing confidence and accepting decisions positively will be developed. Here, although NIB doesn't follow discussion wide decision trends as it is indicated by majority of the respondents.
- c. Acceptance of employees comment** – As shown in the table, 65% of the respondents do not expect the acceptance of their comment by the concerned. Whereas, 24% of employees feedback is accepted and 10% remains neutral. Here it can be said that, majority of the employees believe that their comment is not appreciated by supervisors, implying that mostly downward communication is held than upward. This will discourage employees from taking part in every activity and expect less coaching from their immediate as only instructions are downward direction.
- d. Capability for competition** – It is pointed out that, 65% of the respondents do not expect competing for promotion based on their capability. But 25% believe capability is the ground for promotion and 10% assumes neutral. Potential/capability is the basic measurement whether employee can assume a position or not in the career path. But in NIB, it is not considered as the majority responded.
- e. Promotion by committee** – As shown in the table, 5% of employees do not agree that promotional process is done by committee. But 27% assures committee decision is applied for promotion, and 22% stays neutral. The issue in this regard is, in NIB, employees have no clear

understanding on what's going on if promotion decisions, in actual terms, are not made by committee and transparency is less, there is no doubt that, employees career will be affected one way or another as they have no information and communication on the matter.

- f. Trust on promotion decision makers** – In this regard, 57% of the respondents have no trust on concerned promotion decision makers. Whereas, 21% have trust and 22% left neutral on the case. Trust between management and employees play a key role to facilitate easy interaction and common understanding on job and personnel matters. In NIB, it is rare to expect, trust on the concerned personnel decision makers, as claimed by the majority.
- g. Delegation interest** – From the given data 46% of respondents do not expect delegation by their supervisor but 42% have interest to be delegated and 12% not clear with that. Delegation of authority and responsibility helps for employee's empowerment and future readiness for higher positions. But currently there is an interest in the employees (subordinate) side to be delegated. However, in actual practice, it is not as such expected from supervisor's eventhough some are implementing it.
- h. Attractive work environment** – In line with this, 62% of the respondents assumes the work environment is not attractive for employees whereas 26% reply there is good environment and 12% remain neutral. Work environment should be attractive for employees to be safe and perform tasks with clear mind. As large proportion of employees claim it is not welcome for employees for fruitful results.
- i. Labour union** – For this item, 64% of the respondents do not expect the existence of labour union. While the 14% believes there is a union and 22% remain neutral. This shows there is no labour union as indicated by majority. But it is necessary to determine employee's career related issues like promotion, benefits, safety, reward and the likes based on other factors.

**\* Management View**

1. Do you consider employee comment (feedback) on personnel related matters and decisions?

For this question, most of them reply that under their scope they try to discuss on some matters with their subordinates. But as the overall, employees comment (feedback) particularly in HRD & Administration is not as such acceptable. For example, there is a rate comment line in the performance appraisal format. Some employees write positive or negative aspects faced by them. The responsible organ for this is the supervisor and HRD. But there is no clue even weather it is assessed or not as less improvement is seen in practice.

Other operational ideas are somehow accepted by the concerned like if there is a computer system failure and material requests better than personnel oriented feedbacks.

To summarize, it is suggested by informants that the bank should improve its working system, personnel handling, information dissemination mechanism, benefits and rewards, performance appraisal application, training schedules to retain employees and increase overall performance. Also should keep up its strong sides and current initiatives for change and be competitive in the industry inspite of the external factors influence. By using deep assessment, restructuring, modernization of HRD through updated way of doing jobs and transparent policy implementation the bank's mission can be accomplished and its employees will be well treated as others in the same line of business.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter presents summary of findings, conclusions and recommendations. The summary is drawn from the findings in the information assessed. Conclusions are done based on the idea shown in findings and recommendations are drawn by counterchecking all processes in the research with practicable points.

Career development has its own contribution for the development of individual and organizational performance. Banks are service rendering organizations and their effort is high on customer satisfaction and manpower skill. Therefore, the quality of their personnel, the system implemented on the operation and usage of technology determines the existence alongside the external factors. Also these confirms whether there is standardize career development system applied or not as qualification, capacity, communication system, record and information flow using updated tools help for better achievement and easy doing of tasks.

#### **5.1. Summary of Findings**

In this research, effects of employee career development practice on performance at NIB is assessed through questionnaire and interview information gathering ways by aligning what is observed. From the findings in the data collected and analyzed, the following points are summarized.

To start with the awareness of mission statement, most employees have awareness as it is the ground for all activities. Inrelation to job assignment, employees are not appointed to the position parallel to the qualification they held as this matters on productivity and career path. Despite this, most of them have not yet provided with job description i.e. an instrument for performing tasks but the training given for them, before assigning to positions is a good practice to be followed.

Next to this, the career development system requirements of the bank are assessed. The ground for every rule to be abided is policy. Most employees have no clear information about the

promotion policy that regulates them and transparency on promotion is blocked somehow. The testing points for employee promotional competition are not well accepted by most in addition to the minimum benefits to be gained because of promotion. Job performance is theoretically one of the criteria for promotion but in actual practice, it is not- including external employment without search for internal ones but having competent employees, who lose the chance, is regular in the current process.

When considering employees perception, towards the career development application in the bank, supervisor's recognition, reward for achievements and equal opportunity of promotion is uncommon. The training scheme is not as such helpful and employees are not clear with the objective. Discussion on performance is not encouraged, documentation of achievements is not well guaranteed and these lead to the variation between personal expectation and actual practice.

Furthermore, most employees have less interest to stay long in the bank and the rate of turnover is high as informants in the interview confirmed. The organizational hierarchy, as one factor for career path in the company, has its own shade i.e. not known by most employees and expects less chance of promotion especially for higher positions (supervisory) female employees are out of the shot as the number of currently enrolled supervisory females are not more than fingers at one hand. Besides, performance appraisal is applicable in the bank but the criteria are vague and some are not job related including subordinates feedback (comment) not welcomed by supervisors and HRD and administration department.

Finally, the trust between subordinates, supervisors and management has a gap with the lack of clear information communication between them on personnel matters. Also, there is no labor union to support employees for their unfair decisions and even the majority of the employees believe the bank's quality of service is declining. Finally, the bank has some good practices but on the other hand gaps on information, communication, transparency, trust, participation are major problems for employee's career development implementation in future success of individual and the company.



## **5.2. Conclusions**

Points discussed in the summary are the basics for conclusions. In the research, major things described and issues which have high effect on performance in relation to career development practice are concluded. Also, responses for the basic research questions raised at the beginning are incorporated.

The participants in career development are employees and the organization they work for. The common understanding and support between them enhances better achievement for the planned activities. When considering the current practice of the bank, major indications are blinking and some root activities are implementing. Policy, training scheme, recruitment exercises are grounded. But, most of the time theory and implementation varies because of communication hindrances.

The consequences from the above are shown as some of the main core performances are missing. Employees are resigning from the bank with increasing rate as observed in the study process, the profitability and meeting targeted budget is somehow indifference based on the response from supervisory personnel. If employee's career development system is sound, the beneficiaries will be both the company and individuals recruited there. Therefore, from the results, the existing handling of employees career path, manpower planning, succession plan, coaching, promotion and empowerment of staff is not deep rooted.

As well, there is a huge gap between the paper works and actual practices like preparation of policy, objective to meet, committee assembling procedures, performance appraisal and promotion processes. This leads to the malfunction of processes (existing system) as accountability, responsibility and participative management are under question. The current dynamic environment needs change, quality and potential staff members for service rendering companies. Banks, as a financial institution, should use updated system for customer and personnel handling in addition to other factors which govern from external stakeholders.

### **5.3. Limitation of the Study**

This study has limitation on the following areas.

- Much focus on internal factors than external environment in the subject matter.
- Some related documents or information were confidential to open.
- The time constraint was also there in addition to the disadvantages of questionnaire and interview.

### **5.4. Recommendations**

Recommendations are done by considering the conclusions, observed factors and real situation in the bank for practicability. Existing market, country's economy and regulations, capacity of the organization, the demand from employees, living costs and others determine the way an institution perform and change its system for better achievement. Employees should be participants based on their job area by communicating them through memos, questionnaire assessments, making transparent decisions and follow up on real implementation of procedures. If the bank establishes better structure by considering the current business market, gathering information on other bank's working system and using employee's feedback as one indicator, there will be improvement on communication between participants in the career development.

Moreover, employees are assets for an organization. They have to be selected, trained, evaluated and promoted with equal chance for better achievements and retain them for long. The major factors here are motivation, information access, belongingness, empowerment, trust, satisfaction and the likes. The bank should facilitate employees career path, succession plan, encouragement, rewards, training, benefits, coaching and be changed from traditional thinking to modern one. This enables them to attain qualified employees, effective delivery of service, loyal and responsible staff to meet the objective set by the organization. In NIB, there are some positive actions with regard to career development but still difficulties are happening which control the overall profitability. So the bank should keep the positive actions up and try to improve problems related to career development.

- In addition, employee career development should be part and parcel of organizational strategy and the bank shall establish clear procedures, organizational hierarchy, vacancy process, training and performance appraisal schemes than letting it to be routine and isolated way of doing HR activity.
- The bank's HRD and Administration department should play strategic role than traditional personnel work by integrating with operational units through rotational on the job training, visit and learning from others.
- Also employees as asset of an organization, more attention should be given to competitive benefits based on the bank's capacity and others in the industry.
- On top of that, the management should give equal opportunity for employees as this highly encourages professional and competent ones.
- Also, check whether employees are motivated, satisfied, performing as expected or not by observing realities like frequent absenteeism, lack of replacer, occupied by less experienced staff.
- Finally, communicate policy makers and employees at any level based on the need and at least gather once/twice in a year for actual information and communication establishments.

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## **APPENDICES**

**St. Mary's University College**

**School of Graduate Studies**

**(Interview questions for management and supervisory personnel)**

1. What is your educational background?
2. How long have you been working for the bank?
3. How long have you been in the current position?
4. How much is the employee career development practice of the bank aligns with the strategic objective/mission?
5. Does the bank have written policy regarding the application of career development? How it is communicated?
6. What do you think in the current new employees (trainee bankers) treatment in the bank?
7. What are the basics for employee promotion in the bank? Are they fair?
8. How much effort is done to inform employees on the availability of future vacant posts earlier? Internal versus external vacancy application?
9. How is manpower planning implementation in your department/division/branch?
10. Do you think the HRD and administration department apply updated systems and information technology oriented work processes? Why?
11. How do you perceive poor performers variation with high ones in the appraisal process?
12. How do you observe training application in the bank? Interm of relevancy, periodic, need assessment and follow-up.
13. How does the existing formal organizational structure help career development of employees?
14. How is employee coaching/empowerment/delegation application in the bank?
15. Is there a succession plan in the bank? How is it applied?
16. How well is done equal opportunity for female and male employees for promotion?
17. How well is the deposit mobilization of the bank?
18. How do you perceive the rate of employee turnover in the bank? Possible cause and solutions.
19. Do you consider employee comment (feedback) on personnel related matters and decisions?

**St. Mary's University College**  
**School of Graduate Studies**  
**(Questionnaire for clerical personnel)**

**Dear Respondents,**

The purpose of these questions is to present a thesis concerning effect of career development practices on performance in NIB as partial fulfillment of Master of Business Administration.

The report is intended to assess the career development practice and its effect on performance and make recommendations based on findings in order to suggest possible solution for the case as well as creating favorable environment for work.

Therefore, kindly cooperate to the success of the assessment by giving information on the attached questionnaire. You can use the back side of this paper in case of space inadequacy. The information given by you will be kept as confidential.

- Instructions:**
1. There is no need of writing your name.
  2. Please complete the following tables by placing a tick mark (✓) in the appropriate block.
  3. You can use the back side of the page for additional points.



EMPLOYEE CAREER DEVELOPMENT PRACTICE AT NIB

No.	Part 1- General opinion	Strongly agree	Agree	Disagree	Strongly disagree	Neutral
1	The bank's mission statement is clear for me.					
2	I am assigned to the position which is parallel to my qualification.					
3	I am provided with job description on time.					
4	The bank has good image compared to other banks.					
5	I have got training before assuming the current position.					
Part 2- Career development system		Very likely	Likely	Unlikely	Very unlikely	Neutral
6	I clearly know the promotion policy of the bank.					
7	There is a training schedule applied periodically.					
8	Job performance is the major criteria for promotion.					
9	Sufficient promotional benefits are held in the bank.					
10	The criterion for employees testing is appropriate.					
11	Employees can get promotion information easily.					
12	Employees compete for an over position before external vacancy.					
13	Employee track records are kept by the concerned well.					
Part 3- Employees perception		Highly supported	Supported	Low Support	Not supported	No answer
14	My supervisor recognizes job related efforts					
15	I have given a reward for my job achievements					
16	I clearly know the objective of the bank					
17	There is equal promotional opportunity in					

EMPLOYEE CAREER DEVELOPMENT PRACTICE AT NIB

	the bank					
18	The training system of the bank helps employees to upgrade their skill.					
19	I have given a training opportunity at least twice a year.					
20	My personal expectations are met in the bank.					
21	Job performance discussion is encouraged by my supervisor.					
22	In my opinion, personal job related achievements are documented well by the bank.					
<b>Part 4- Career development objectives</b>		<b>Very important</b>	<b>Important</b>	<b>Less Important</b>	<b>Not important</b>	<b>No Answer</b>
23	Employees have confidence on working with the bank.					
24	I am motivated to do assigned tasks.					
25	The current position I assumed meets my capacity/potential.					
26	I have less interest to resign from the bank.					
27	The organizational ladder of promotion is clear for me.					
28	I expect a good chance of promotion in the future.					
29	There is equal promotional opportunity for male and female employees.					
30	My educational achievement is considered for promotion.					
31	The promotion system of the bank is transparent.					
<b>Part 5- Career practice and performance</b>		<b>Highly accepted</b>	<b>Accepted</b>	<b>Less Accepted</b>	<b>Not Accepted</b>	<b>No response</b>
32	The performance appraisal system of the bank is bias free.					
33	The overall performance of the bank is at good position when compared to others in the					

EMPLOYEE CAREER DEVELOPMENT PRACTICE AT NIB

	industry.					
34	There is a reward for good performance.					
35	The promotion system of the bank helps for better job performance.					
36	Information on new systems disseminate on time for employees.					
37	In my opinion, the bank's quality of service is increasing.					
38	In my understanding, leave of absence is requested by at least one employee in a day.					
39	The criteria used to measure performance are equally relevant to the tasks I am actually engaged in.					
40	I have planned to stay long in the bank.					
<b>Part 6- Participants in career development</b>		<b>Highly expected</b>	<b>Expected</b>	<b>Below Expected</b>	<b>Not expected</b>	<b>Neutral</b>
41	Employees are well aware of organizational job ladder.					
42	Mostly decisions are made through discussion.					
43	Employees' comments are well accepted by supervisors.					
44	Employees can compete to positions they are capable.					
45	Promotional process is done by committee.					
46	I have trust on the concerned promotion decision makers.					
47	I have an interest to be delegated by my supervisor on certain task.					
48	The work environment of the bank is attractive for employees.					
49	There is a labor union in the bank.					

. Other comments, suggestions and recommendation on the career development practice of the bank (if any). \_\_\_\_\_

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Shoa Jemal (Ass. Professor). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Rebecca Tesfaye

Name

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Signature

**St. Mary's University College, Addis Ababa**

**February, 2013**

## ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate studies for examination with my approval as a university advisor.

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Advisor

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Signature

**St. Mary's University College, Addis Ababa**

**February, 2013**