The Relationship between Training, Learning and Career Development Strategies on Engineers’ Intention to Stay

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Abstract – This paper investigates the relationship between Human Resource Development (HRD) strategies and Malaysian engineers’ intention to stay working with their employing organization. It focuses on three main HRD strategies, namely training, learning and career development. A total of 97 questionnaires were distributed to engineers in a multinational oil and gas company, however only 68 were returned. The findings revealed a significant positive relationship between all three main HRD strategies and engineers’ intention to stay, whereby learning had the strongest unique contribution to explaining engineers’ intention to stay than other HRD strategies. This finding implies that learning opportunities such as challenging works, study leave, and multi-tasking role have the capacity to influence employees’ intention to continue working in the company.

Keywords: Human resources development, training, learning, career development, retention, intention to stay, engineer

1.0 INTRODUCTION

Attracting and retaining talents are among the key human capital challenges in Asia-Pacific. Turnover especially among skilled and technical employees are a major concern for many organizations. The leaving of key employees such as an engineer could be detrimental to an organization. According to PwC (2012), this has a significant impact on organization as high levels of turnover correlates with higher cost and lower productivity.

The focus of this study is on the retention of engineers. The retention of engineers is critical for a developing country like Malaysia, since engineer’s contributions are considered vital to the growth of Malaysia. Moreover, the emphasis for knowledge based economies implies a need for highly-knowledgeable engineering workforce. Official statistics suggest that engineers are a key workforce in the Malaysian labour market. For example, in 2009, approximately 47 per cent of the registered professionals in Malaysia were engineers (DOS, 2010c). According to Keenan (1994), the oil and gas industry is dependent upon the quality of its professional engineers. However, in a survey by the MEF (2010), the oil and gas industry reported a high turnover which implies low commitment among its employees.

According to past researches, HRD strategy has been proved to have a linkage with individual’s intention to stay or to leave (Haslinda, 2007, 2008; Hasrina, 2012); both in private or government sector (Vimala, 2012). However certain HRD strategies may have a different influence on employees’ behaviour. For instance in a study by Abdull Rahman (2012), it was found that training, and long term career opportunity are the factors most likely
to influence engineers’ intention to stay working in a company. These needs were highlighted in relation to engineers’ need to constantly upgrade knowledge and skills – a key characteristic among knowledge workers. Career development was also found to be influential towards engineers’ retention as it implies job security and career progression. Whilst in other studies, training, career mentoring, career development opportunity, promotion opportunities has been found to foster employee retention (Ahmad and Abu Bakar, 2003; Samad, 2006; Samad and Hassan, 2007; Chew and Wong, 2008). These empirical findings suggest that organisations can improve the retention of their key employees by implementing certain HRD strategies. There is however limited evidence as to which HRD practices can influence employee retention particularly among engineers in the Malaysian oil and gas industry. Thus, the purpose of this study is firstly, to investigate the level of HRD strategies implementation in the company. The second objective is to determine the relationship between learning, training, career development, and engineers’ intention to stay. Finally the third objective is to determine the most dominant HRD strategy that influence engineers’ intention to stay.

2.0 LITERATURE REVIEW

2.1 Training

Training can be considered as a way for organization to motivate their employee. According to Hutchings et. al (2009) the best way to increase employee motivation and retain the skilful worker within the organization is by training and development. Training will bring out the competitive advantage of organization in many ways. This also can help to achieve organization strategic objective. Ng and Siu (2004) concluded that training will give positive effect toward employee’s productivity. In this study, training dimension refers to various HRD programs that organizations are expected to provide as a strategy to influence employees’ intention to stay. The activities include on-the-job training, training courses and seminars, technical skills training, training on new technology, as well as technical mentoring.

2.2 Learning

Learning can be divided into two different conditions; formal learning refers to activities that are intended to help employees to acquire specific areas of knowledge, awareness, and skills, and secondly informal learning which include activities, situations and tools that are not usually intended for learning and mostly happen directly in the actual work setting. These conditions do not have learning as their primary aim, but can however be used – consciously or unconsciously – for learning and knowledge sharing (Jacobs and Park, 2009). In another perspective, Pérez López et. al (2006) has conceptualized organizational learning into four dimensions: (1) Knowledge acquisition, (2) Distribution, (3) Interpretation and (4) Organizational memory. In this study, learning refers to the opportunities provided and available in an organization for the employees. Learning includes opportunities to undertake challenging work, opportunity to further study, opportunity to gain a wide range of experience, organization providing the support and tools for employee learning as well as opportunities to learn new skills.
2.3 Career Development

Upton et. al (2003) examined 30 different definitions of career development that covered 48 dependent variables. These variables ranged from individual outcomes, for instance, achieved career objectives and development of a self-concept to organizational and societal outcomes, e.g. increased organizational performance and aligned organizational talent with individual career needs. The author described career development in terms of the fit between organizational and individual goals, noting that “Career development focuses on the alignment of individual subjective career aspects and the more objective career aspects of the organization in order to achieve the best fit between individual and organizational needs as well as personal characteristics and career roles” (p. 806). In this study, career development refers to opportunities for advancement, secondment to other work areas or organization, feedback on performance, access to career mentoring or coaching, as well as fair appraisal for career development practice.

2.4 Intention to Stay

According to Tymon et. al (2010), employee motivation is driven by both extrinsic rewards such as pay/promotions and intrinsic rewards such as “doing meaningful work”. Some of the studies support that both kinds of rewards affect outcomes such as work engagement, organizational satisfaction, and intention to stay. Certain change programs attempt to increase the employee’s value to the organization, such as training and development, learning experience and career enhancement. When some of these values perceived, this can increase employees’ sense of self-worth and intrinsic motivation. These feelings can reinforce and energize employee efforts, leading to greater motivation and engagement and making work more personally fulfilling. When employees experience meaningfulness, choice, progress, and competence in their work, employees will feel that work is intrinsically motivating, experience more work satisfaction, and they demonstrate a higher intention to stay (Tymon et. al, 2010). In this study, intention to stay is defined as employees’ intention to continue working in the company for a long period of time, making no plans to work anywhere else, and having an obligation to continue working.

2.5 Relationship between HRD Strategies and Intention to Stay

Abdull Rahman (2012) has found a significant link between the quantity and the quality of human resource programs available in an organization, and engineer’s intention to stay working in the organization. Moreover career development opportunity and skills training have emerged from the study as the human resource strategies most likely to influence intention to stay, meeting engineers’ self-efficacy needs.

Vimala (2012) conducted a study on employees’ intention to stay in the public sector. The study revealed a positive relationship between career opportunity and employees’ intention to stay. The respondents commented that the public sector offers good career opportunity whereby the employer values employees’ career development and provides them with clear career path.

Ghazali et. al (2012) investigated the relationship between seven human resource practices; recruitment and selection, training, compensation system, performance appraisal, job security, employee empowerment, and communication – towards employee’s intention to stay. All of the seven human resource practices were having significant relationship with
employees’ intention to stay. The researcher concluded that the more satisfied the employees are with the human resource practices implemented, the higher their intention to stay with the organization.

3.0 RESEARCH METHODOLOGY

This study adopted a quantitative research design whereby data was collected using questionnaire. It consists of three sections; demography, HRD strategies, and intention to stay section. HRD strategies were measured using items adopted from SDA Bocconi, School of Management, 2012 Career Development Survey and State Service Commission of Wellington, 2005 Career Progress & Development Survey. This section consists of 15 items. The 15 items are divided into three aspects, namely Training, Learning, and Career Development. Intention to stay was measured using items adopted from Abdull Rahman (2012). The respondents were requested to rate the items regarding HRD strategies and intention to stay depending on what extent they agree or disagree with the organization providing such strategies based on a 5-point Likert scale comprised of (1) Strongly Disagree to (5) Strongly Agree. Respondents were also allowed to give comments or provide details on any of the items. A sample of engineers in a multinational oil and gas firm was recruited for data collection. Out of 97 questionnaires distributed, 68 were returned (70% response rate).

4.0 FINDINGS

Overall, majority of the respondents were male (73.5%), aged between 26-35 years old (69.1%), of Malay ethnicity (91.2%), married (76.5%), and possessed minimum a degree qualification (66.2%). Most of the respondents have worked in the company between 1-3 years (30.9%) and more than 9 years (27.9%) and earning a monthly salary between RM4,001 to RM8,000 (56.7%).

Objective 1: The Level of HRD Strategies

Table 1 summarizes the mean and standard deviation values for all the dimensions of HRD strategies.

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean (M)</th>
<th>Standard Deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Company provides on-the-job training</td>
<td>4.09</td>
<td>.645</td>
</tr>
<tr>
<td>2. Company provides training course and seminars</td>
<td>4.27</td>
<td>.592</td>
</tr>
<tr>
<td>3. Company provides high quality training on technical skills</td>
<td>4.09</td>
<td>.645</td>
</tr>
<tr>
<td>4. Company provides technical mentoring or technical support program</td>
<td>3.96</td>
<td>.614</td>
</tr>
<tr>
<td>5. Company provides training on current technology</td>
<td>3.69</td>
<td>.802</td>
</tr>
<tr>
<td>Total</td>
<td>4.02</td>
<td>.660</td>
</tr>
</tbody>
</table>
The findings presented in Table 1 suggest that most of the HRD strategies are implemented in the company. Training dimension however received a higher mean which implies the company put more effort on the strategy compared to learning and career development strategies. For instance, respondent #48 and #49 commented the organization provides HSE (Health, Safety and Environment) training from time to time. According to respondent #62, the company provides on-the-job training such as Plant Description and Introductory and as well as high quality training such as ACD (Advanced Chemistry Development). As for learning dimension, most of the respondents agree that the company provides various learning opportunities such as challenging works, study leave and multi-tasking role assignments. For instance, respondent #49 commented that the company provides day to day troubleshooting in their daily task, and respondent #11 mentioned that the company provides study leave to those employees who have been identified under talent management program. All the items under career development dimension also received a high mean, indicating that the company offers career development opportunities for its employees. According to respondent #62, the company provides one to one discussion with the superior and both agreed on the work objectives and career development plan. Moreover, according to respondent #48, the company practice annual appraisal and provides opportunity for employees to give feedback on their career objectives.
Objective 2: The Relationship between HRD Strategies and Intention to Stay

Pearson correlation analysis was used to determine the relationship between the variables. Table 2 shows the result of the analysis.

Table 2: Correlation

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>HRD Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Training</td>
</tr>
<tr>
<td>Intention to Stay</td>
<td>.057</td>
</tr>
</tbody>
</table>

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

Overall, there is a positive significant relationship between all the HRD strategies and engineers’ intention to stay. However the result suggests low correlation between the variables.

Objective 3: The Dominant HRD Strategy Influencing Intention to Stay

Multiple regression analysis was used to determine the most important HRD strategy for engineers’ intention to stay. Table 3 and 4 show the result of the analysis.

Table 3: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.283a</td>
<td>.080</td>
<td>.031</td>
<td>2.82003</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), total_cd, total_tnd, total_learning
b. Dependent Variable: total_its

Table 3 shows that HRD strategies explain merely 8% of the variance in engineers’ intention to stay. This implies that engineers’ intention to stay may be influenced by a myriad of other factors.

Table 4: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>20.420</td>
<td>2.873</td>
<td>7.108</td>
<td>.000</td>
</tr>
<tr>
<td>Total Training</td>
<td>-.117</td>
<td>.194</td>
<td>-.111</td>
<td>-.604</td>
</tr>
<tr>
<td>Total Learning</td>
<td>.486</td>
<td>.225</td>
<td>.471</td>
<td>2.157</td>
</tr>
<tr>
<td>Total Career Development</td>
<td>-.225</td>
<td>.213</td>
<td>-.228</td>
<td>-1.056</td>
</tr>
</tbody>
</table>

a. Dependent Variable: total_its
Table 4 shows that learning makes the strongest unique contribution to explaining engineers’ intention to stay compared to training and career development. The significance value also suggests that learning is making a significant unique contribution to the prediction of engineers’ intention to stay. The other HRD strategies namely training and career development appear not having a significant contribution to engineers’ intention to stay.

5.0 DISCUSSION AND CONCLUSION

The total mean score for each dimensions of HRD strategies were respectively high which suggests that the company implement most of the strategies assessed in this study. Among all, training dimension received the highest mean. The correlation analysis also revealed that all the HRD strategies have positive and significant but low correlation with engineers’ intention to stay. Although the model is significant, HRD strategies explain merely 8% of the variance in engineers’ intention to stay. This suggests that employees’ intention to stay may be contributed by various other factors. This is consistent with a study by Abdull Rahman (2012) whom suggested that engineers’ intention to stay can be influenced by organizational factors such as human resource strategies, personal circumstances such as family commitment, and labour market factor such as a lack of job offers.

Moreover the result of this study has revealed that among the three HRD strategies, learning emerged as having the strongest unique contribution to explaining engineers’ intention to stay. Since the level of implementation for learning strategies is the lowest (mean=3.786) compared to training and career development strategies, this study suggests that the company put more effort on improving its learning strategies such as by providing opportunities for study leave and opportunities to gain experience in various tasks. According to Tymon (2012), positive learning experience can increase employees’ sense of self-worth and intrinsic motivation thereafter influencing their intention to stay. This result is not suprising as according to Haslinda (2008), one of the challenges faced by Malaysian organization is the lack of intellectual HR professionals to cope with the demand to foster learning strategies in the workplace. Engineers can be considered as knowledge workers whereby according to Tan (2008), knowledge workers seek lifelong learning opportunities for personal growth throughout their career. According to James et al (2012) opportunities for personal growth and development such as learning opportunities would be the key aspect which determines employees’ personal satisfaction.

6.0 CONCLUSION

In sum, by implementing appropriate human resource practices and policies, organization can influence employees’ positive feelings towards the organization and therefore lead to increased retention. The present study is an attempt to examine and analyse the impact of HRD strategies on Malaysian engineers’ intention to stay in a multinational oil and gas company. In the present study, finding implies that learning opportunities such as challenging works, study leave, and multi-tasking role have the capacity to influence employees’ intention to continue working in the company. On the other hand, training and career development appear not having a significant contribution to engineers’ intention to stay.

7.0 ACKNOWLEDGEMENT

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REFERENCES


