

Career Planning and Career Strategy: A Study of Malaysian Insurance Agents

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Abstract. The purpose of this study is to examine the relationship between career planning and career strategy. Data were gathered through questionnaire from 531 insurance agents located in the northern states of Peninsular Malaysia. The regression result indicated that career planning was positively related to career strategy. The theoretical and practical implications of this finding were also discussed.

Keywords: Career Planning, Career Strategy, Insurance Agents

1. Introduction

Economic recession and intense business competition caused working environment to keep changing; organizational downsizing and restructuring, no guarantee of job security, and employment retrenchment has caused lifelong career with a stable pay seriously challenged. All of these caused individuals to become extensively involved in job hopping, the implication of which was the need to change employers for many times in their career life. As such, career self-management trends evolved as employees had to be responsible for the management of their own careers by actively engaging in developing, implementing and monitoring their career aspiration and strategies for achievement. A lot of articles related to career planning and career strategy have been published, but critics of those topics are limited to certain samples such as administrative and technical staffs of public sectors [1] – [3]; high school and university post-graduate students [4], [5]; managers of manufacturing companies [6] and hotels [7]; staff of IT companies [8] and managerial staffs of financial institutions [9], [10]. Minimal research has explored the insurance agents' career-related behaviours. Hence, it is a gap in the literature since insurance agents are found to be highly involved in the career self-management process in which there is no stringent control by their superiors [11] and therefore, to sustain career achievement, enhancement of their employability and marketability is a crucial task for them. It is thus imperative to understand how their career planning behaviour influences the implementation of career strategies for success so that individuals can formulate an effective career plan accordingly. Understanding the employees' (i.e. insurance agents) career-related behaviours is essential to organizations (i.e. insurance companies) so as to enhance the ability to make the necessary resources available and to support employees in managing their careers. Thus, this paper is an empirically quantitative effort to fill the literature gap by examining the influences of career planning on employees' decisions for career strategy implementation particularly among insurance agents.

2. Variables

2.1. Career Strategy

Career strategy is the action that individuals take to decrease the time required to meet their career objectives [12]. This action will be implemented when individuals desire to manipulate their career situation and so help them to attain career objectives. Previous researchers indicated that the usefulness of a particular career strategy depends on the type of job and the nature of work [12], [8]. For instance, researcher [8] found that most of the information technology (IT) professionals were likely to engage in the strategies of skill development and enhancement experiences to facilitate their career achievement. Previous researcher suggested that in order to succeed, employees who work in a service-oriented industry, especially insurance agents would like to use combination of career strategies (i.e. creating opportunities, extended work

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involvement, self-nomination, seeking social support, and interpersonal attraction) [7], [9]. Insurance agents need such strategies to help them get more business opportunities [11]. It has become very important for insurance agents to execute variety of strategies in order to keep up good sales performance as they are compensated based on sales commission with no basic salary paid to them. Given such compensation practice, it is not questionable that most of the insurance agents are constantly involve in the strategy development and execution. Hence, it is reasonable to predict that each insurance agent would develop and implement combination of strategies, which is suited to the nature of their job and personal needs by means of helping them to progress toward the achievement of their career objectives.

Table 1. Definition of career strategies

Career Strategies	Definitions
Creating opportunities	Developing skills and seeking out experience critical to a person's career success.
Extended work involvement	Working outside of office hours.
Self-nomination	Communicating to superiors a desire to assume greater responsibility in the organization.
Seeking social support	Getting support, information and advice from experienced people or connecting with people either inside or outside the organization.
Interpersonal attraction	Holding a sound opinion or thinking highly of one's superiors, and expressing a favourable evaluation of the superiors.

Note: Data derived from S. Gould, and L. E. Penley. Career strategies and salary progression: A study of their relationships in a municipal bureaucracy. *Organizational Behavior and Human Performance*. 1984, vol.34, pp. 244 - 265.

2.2. Career Planning

Career planning is a thoughtful process for identifying opportunities and constraints that occur in the work environment, and career related goals that include direction, timing and actions. According to this definition, career planning is perceived as an activity carried out by the individual to exert personal control over his/her career. Moreover, previous researchers agreed that career planning can be described as an individual initiative, whereby an individual identifies his/her strengths and weaknesses, sets up career goals and plans to foster his/her career development needs [1], [13], [14]. In general, career planning is an activity that makes individual responsible for his/her career development. In addition, career planning does not only help employees to have a precise understanding of their abilities and interests, but also helps them to clarify career aspirations [8], [13], [15]. A plan without goals is just like a ship without a destination. This means without career plan, individuals will lose direction and end up unable to direct their efforts in a focused manner. Previous studies revealed that career planning not only helps individuals to identify what they want to achieve in the future, but also develops into a motivational mechanism [1], [13], [15], [16]. As indicated by Gould's career planning model, once individuals have a goal to achieve in their careers, they will be motivated to engage in career-related behaviours (i.e. career strategy) that lead to positive outcomes [16]. Therefore, the primary factor for career strategy implementation is the formulation of career plan.

Researchers proposed that a flexible career plan needs to be supplemented by appropriate career strategies (such as networking, skills enhancement and extended work involvement) for its proper implementation [1], [8]. This indicates that career planning will trigger the implementation of career strategies. It is useless for an individual to have excellent career plans which are not put it into action by using practicable strategies. Therefore, once an individual has identified his/her strengths, weaknesses, opportunities and career goals, he/she needs to develop an action plan, which can provide a flow of strategies needed to influence the outcomes. For example, John's current career plan is to switch to another organization as the Marketing Manager. So, his action plan is to search for the information and job vacancies from a group of useful friends (i.e. strategies of networking and getting career supports) who can assist him in his career switch plan. An action plan or strategy can define specific steps that individual needs to take in

order to realize the goals, which are beneficial for the individual's career in future. Thus, to realize career aspirations, it is critical to execute career plans with strategies. In short, employees with a flexible career plan that is implemented with exhaustive strategies to influence difficult situations stand a good chance of being successful in their career. Following the above discussion, it is hypothesized that:

H1. Career planning is positively related to career strategy

3. Research Framework

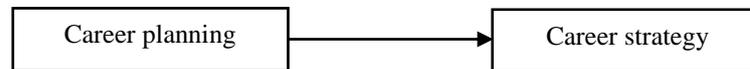


Fig. 1: Research framework of the relationship between career planning and career strategy.

Fig. 1 depicts the research framework that is to be examined in this study. The framework consists of one independent and dependent variables, namely career planning and career strategy respectively. The examined framework is using Gould's career planning model as a guide to predict the direct influences of individual career planning towards the implementation of career strategy. Career planning model posits that the formulation of a career plan will trigger the development and execution of career strategies. Hence, the present study tends to examine whether insurance agents' career plans will influence them to engage in the career strategy implementation. By considering the influences between these two variables, the researcher may provide information for practitioners to use in improving their formal career development programmes.

4. Method

4.1. Sample

The sample of this study consisted of 531 full time insurance agents located at the northern states of Peninsular Malaysia who has had minimum of two years of employment. Generally, insurance agents require about two years to have a stable career path. Since most of the insurance companies were unable to reveal the number of insurance agents, disproportionate sampling method was utilized by dividing equally the number of questionnaires that is 25 set for each of the 30 participating branches (750 set questionnaires distributed). The response rate was 70.8%. The respondents included 312 men and 219 women. Most of the respondents were married (71.6%), and majority of respondents' age ranged between 26 – 43 years old (58.1%). In terms of educational achievement, 233 respondents (43.9%) had SPM, while 133 respondents (25.0%) were Diploma holders. Besides that, 271 of the respondents (51.0%) were Life and General insurance agents. Many of the respondents (44.6%) indicated that they have worked in the current insurance companies between 2 to 5 years.

4.2. Measures

Career strategy was measured using 8-item scale adapted from Gould and Penley's career strategy inventory (CSI). This 8-item will determine the extent to which (1 = never to 5 = very often) they had engaged in each of the predetermined career strategies (i.e. creating opportunities, extended work involvement, self-nomination, seeking social support and interpersonal attraction) [12]. Responses were average to produce a total career strategy score, consistent with the suggestion in the studies of Aryee and Debrah (1993), and Greenhaus et al. (1990) that individuals use a combination of strategies to achieve their career plan. The alpha reliability for this study was 0.65. Meanwhile, 10-item was adapted from valid resources to measure career planning [13], [16]. Responses were on a 5-point Likert-scale that ranged from (1) strongly disagree to (5) strongly agree. Sample items include 'I have plans for my career' and 'My awareness of career interests had helped to clarify my career plans'. The scale's alpha reliability for this study was 0.82.

5. Results

Table 2. Means, standard deviations and correlations of the study variables

Variables	M	SD	1	2
1. Career planning	3.82	0.57	-	
2. Career strategy	3.51	0.51	0.35**	-

Note: n=531; **p<0.01

Descriptive statistics and correlation coefficients are presented in Table 2. Hierarchical regression was carried out to test the Hypothesis 1. Controls were entered in the first step and included the demographic factors, namely gender, age and education level [1]. Meanwhile, career planning that serve as predictor were entered in the second step.

Table 3 illustrated the three control variables which accounted for 2% ($R^2 = 0.02$, F-change = 3.05, $p < 0.05$) of the observed variations in career strategy. By adding career planning, the R^2 value increased to 0.13. This indicated that career planning was able to explain an additional 11% (R^2 change = 0.11, F-change = 67.39, $p < 0.01$) of the variance in career strategy. The result indicated that career planning ($\beta = 0.35$, $p < 0.01$) was positively associated with career strategy. Therefore, Hypothesis 1 was supported.

Table 3. Results of the hierarchical regression analysis of career planning and career strategy

Predictors	Model 1	Model 2
	Std. β	Std. β
Step 1: Control Variables		
Gender	-0.04	-0.05
Age	0.08	-0.02
Education level	0.10*	0.03
Step 2: Independent variable		
Career planning		0.35**
R^2	0.02	0.13
Adjusted R^2	0.01	0.12
R^2 change	0.02	0.11
F-change	3.05*	67.39**

Note: * $p < .05$, ** $p < 0.01$; Dependent variable = career strategy

6. Discussion and Conclusion

The regression result indicated that insurance agents who have extensively involved in career planning are more likely to use a combination of strategies to attain their career objective. The findings of this study support previous researches [1], [8], [10] which concluded that individuals with deeper understanding of self-strengths, weaknesses, opportunities and aspirations could stimulate them to implement particular career strategies. These results are significant because they imply that insurance agents should take charge of their own career by planning and strategizing their career. The tremendous changes in environment caused by economic downturn, diversification of market segmentation and customers' needs, technological advancements, change of government policies and competition in the insurance industry have fuelled concerns that insurance agents need to always enhance their marketability. It is important since sustaining their marketability, insurance agents need to keep a good sales outcome, if not they could be faced with job loss. To get a good sales performance, planning and strategies play important roles. By having a clear and precise career plans, insurance agents can strategize their career effectively by implementing several strategies that are beneficial to their career attainment. For example, to remain up to date with the latest insurance products, insurance agents tend to plan and strategize their actions by actively involving in information searching through network of contacts, and knowledge enhancement through seminars and training programs in order to effectively serve the customers. Thus, it is not questionable that insurance agents are consistently involved in career planning and strategies implementation.

On the other hand, with limited career studies on the individuals related to the insurance industry (specifically in the Malaysian context), this study has to some extent contributed to knowledge in this area, especially the influence of career planning on Malaysian insurance agents' career strategy. Most importantly, this study has successfully filled the research gap pertaining to the assessment of insurance agents' career-related behaviours, particularly in the context of Malaysian insurance industry. From a different perspective, the statistical results obtained in this study revealed that insurance agents who are extensively involved in career planning activities also actively engaged in career strategies implementation. This implies that HR practitioners should make greater efforts to understand insurance agents' behaviours in order to provide a series of career development supports (mentoring, career counselling and planning assistance) and develop a more favourable working environment that would assist insurance agents to plan and strategize their career effectively. The attainment of career plans through implementation of career strategy may lead insurance agents to effectively progress towards achieving career success.

Regarding study limitations, this study only concentrated on agents in the insurance sector, and does not include employees belonging to other industries such as manufacturing, servicing, trading, financing and education. Different results might be obtained if the study also looked at different samples in other industries. Therefore, the results of this study could not be generalized to employees in other industries. Future researcher could widen the scope of examination by incorporating employees from other industries and perform comparative studies across different industries. Similarly, this study only focuses on insurance agents located in the northern region of Malaysia. Since job responsibilities, requirements, rules and regulations were similar for insurance agents across Malaysia, it is suggested that similar research could be duplicated with a larger sample that may include insurance agents from all regions of Malaysia, particularly Sabah and Sarawak. The use of a larger sample would help to generalize the findings of the study.

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