Abstract—The aim of this study is to examine the relationship between career planning and career strategies. Based on the career planning model, this study proposes that career planning triggers the implementation of career strategies. Data were gathered through questionnaires from a sample of insurance agents (n = 531) who worked in life and general insurance companies located in the Northern states of Peninsular Malaysia. Regression analysis was performed to test the hypothesis. Results indicated that career planning is positively related to career strategy. This finding generally supports past findings, which suggest that extensive involvement in career planning activities will trigger individuals to implement career strategies to attain their career goals. The findings are discussed and implications are also provided.

Index Terms—Career planning, career strategy, insurance agents.

I. INTRODUCTION

Economic recession and intense business competition result in a volatile working environment; organizational downsizing and restructuring, lack of job security and retrenchment pose serious challenges to the possibility of having a lifelong career with stable pay. All of these cause individuals to become extensively involved in job hopping, the implication of which is the need to change employers several times during their career span. As such, career self-management trends began to evolve, as employees had to be responsible for the management of their own careers by actively engaging in developing, implementing and monitoring their career strategies and aspirations.

Numerous articles related to career planning and career strategy have been published, but they are limited to samples of administrative and technical staff of the public sector [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 staff of financial institutions [9], [10]. Very little research is available, which explores the career-related behaviors of insurance agents, thereby creating a gap in the literature. Since insurance agents are found to be highly involved in career self-management processes and stressful career situations as their jobs become more challenging, there is a dire need to fill this gap.

The latest statistics announced by the Central Bank of Malaysia show that the total number of insurance agents increased from 116,008 in 2009 to 118,783 in 2011 [11]. In addition to that, the latest statistics announced by the Life Insurance Association of Malaysia (LIAM), as of February 2012, indicate that the Malaysian new life insurance business declined 6% in 2011 (from RM8.42 billion in 2010 to 7.92 billion in 2011) [12]. The growing number of insurance agents signifies that the competitiveness of Malaysian insurance businesses has become more intense, since many agents are competing in the same area of business. The latest survey carried out by PayScale Malaysia, indicates that insurance agents who have four years or less working experience receive less than RM20,000 annual salary [13]. This indicates that high level of competitiveness in the insurance industries have made it more difficult for insurance agents to get business opportunities, which directly affects their income and subsequently, the probability of career achievement. This in turn makes it increasingly difficult for insurance agents to secure their careers. Therefore, strengthening their employability and marketability are crucial tasks for them. It is thus imperative to understand how their career planning behavior influences the implementation of successful career strategies towards the formulation of an effective career plan.

Understanding the employees’ (i.e. insurance agents) career-related behaviors is essential for organizations (i.e. insurance companies) in order 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. The paper examines the influence of career planning on employees’ decisions for career strategy implementation particularly among insurance agents.

II. VARIABLES

A. Career Strategy

Career strategy is the action that individuals take to decrease the time required to meet their career objectives [14]. This action will be implemented when individuals desire to manipulate their career situation, so as to help them 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 [8], [14]. For instance, researchers [8] found that most of the information technology (IT) professionals are likely to engage in the strategies of skills development and enhancement of experiences to facilitate their career achievement. Previous researchers suggested that in order to succeed, employees who work in a service-oriented industry, especially insurance agents, have a
tendency to use a combination of career strategies, namely creating opportunities, extended work involvement, self-nomination, seeking social support, and interpersonal attraction [7], [9]. These six types of career strategies are briefly explained in Table I.

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

Sources: Chang [8]; Gould and Penley [14]; Tan and Khulida [15]

Insurance agents need such strategies to help them get more business opportunities. It has become very important for insurance agents to execute a variety of strategies in order to maintain and improve good sales performance, as insurance agents are compensated based on sales commission, with no basic salary being paid to them. Given such compensation practices, it is not surprising that most insurance agents are constantly involved in strategic development and execution. Hence, it is reasonable to predict that insurance agents would develop and implement a combination of strategies, suited to the nature of their jobs and personal needs.

B. Career Planning

Career planning is referred as an individual’s attempt to get involved in self and environmental assessment, and goal-setting activities [16], [17]. According to this definition, career planning is perceived as an activity carried out by the individual to exert personal control over his/her career. Previous researchers agreed that career planning can be described as an individual initiative, whereby an individual explores opportunities and identifies his/her strengths and weaknesses, sets up career goals and plans to foster his/her career development needs [1], [16], [18]. In general, career planning is an activity that makes an 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], [16], [19]. A plan without goals is just like a ship without a destination. This means without a career plan, individuals will lose direction and end up being 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 operates as a motivational mechanism [1], [16], [19], [20]. As indicated by the career planning model, once individuals have a goal to achieve in their careers, they will be motivated to engage in career-related behaviors (i.e. career strategy) that lead to positive outcomes [20]. Therefore, the primary factor for career strategy implementation is the formulation of career plan.

III. Career Plan and Career Strategy

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]. The career planning model also points out that career plans that develop based on personal needs will initiate the implementation of career strategies. According to Prasad [21], it is useless for an individual to have excellent career plans which are not put 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, if John’s current career plan is to switch to another organization as the Marketing Manager, his action plan would be to search for the information and job vacancies from a group of 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 an individual needs to take in order to realize the goals, which are beneficial for the individual’s career in future. Thus, to realize career objectives, 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 careers. Following the above discussion, it is hypothesized that:

H1. Career planning is positively related to career strategy.

IV. Research Framework

Fig. 1 depicts the research framework that is examined in this study. The framework consists of one independent and one dependent variable, namely career planning and career strategy, respectively. The framework is examined using career planning model as a guide to predict the direct influences of individual career planning on the implementation of career strategy. The career planning model posits that the formulation of a career plan will trigger the development and execution of career strategies. Hence, the present study examines whether insurance agents’ career plans will influence them to engage in career strategy implementation. By considering the influences between these two variables, the researcher may be able to provide information for practitioners to improve their formal career development programs.
V. METHODS

A. Sample

The sample of this study consisted of 531 full-time insurance agents in the Northern states of Peninsular Malaysia, who had a minimum of two years of employment. Generally, insurance agents require about two years for developing adequate social capital resources that can assist them in their career progression. Two years is also considered sufficient for insurance agents to establish their career paths and determine their level of attainment.

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, i.e., 25 sets for each of the 30 participating branches (750 sets of questionnaires were 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 from 26 – 43 years (58.1%). In terms of educational achievement, 233 respondents (43.9%) had Malaysian Certificate of Education (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 company for between two to five years.

B. Measurements

Career strategy was measured using an 8-item scale adapted from career strategy inventory (CSI). This 8-item scale can determine the extent to which (1 = never to 5 = very often) respondents had been engaged in each of the predetermined career strategies (i.e. creating opportunities, extended work involvement, self-nomination, seeking social support and interpersonal attraction) [14]. Responses were averaged to produce a total career strategy score, consistent with the suggestion in the studies of Aryee and Debrah [1], and Greenhaus et al. [22] that individuals use a combination of strategies to achieve their career plan. Sample items included ‘Keeping my career options open’ and ‘Making my boss aware of the assignment I want’.

Additionally, a 10-item scale was adapted from valid resources to measure career planning [16], [20]. Responses were made on a 5-point Likert-scale that ranged from (1) strongly disagree to (5) strongly agree. Sample items included ‘I have plans for my career’ and ‘My awareness of career interests have helped to clarify my career plans’.

VI. RESULTS

Table II presents the internal consistency reliabilities (Cronbach’s Alpha), means, standard deviations, and Pearson correlations of variables for the 531 respondents. As shown in Table II, the Cronbach’s Alpha for the two variables has satisfactory reliability values ranging from .65 to .82. Table II also reveals positive relationship between career planning and career strategy (r = 0.35, p<0.01). This result implies that insurance agents who are highly involved in career planning actions are more likely to implement career strategy to attain their career objectives.

TABLE II: MEANS, STANDARD DEVIATIONS AND CORRELATIONS OF THE STUDY VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>α</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Career planning</td>
<td>0.82</td>
<td>3.82</td>
<td>0.57</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2. Career strategy</td>
<td>0.65</td>
<td>3.51</td>
<td>0.51</td>
<td>0.35**</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: n=531; **p<0.01; α = reliability; M = mean; SD = standard deviation

To test hypothesis 1, regression analysis was conducted. Controls were entered in the first step and included the demographic factors, namely gender, age and education level. Meanwhile, career planning that served as predictor was entered in the second step.

Table III illustrates the three control variables which accounted for 2% (R² = 0.02, F-change = 3.05, p<0.05) of the observed variations in career strategy. By adding career planning, the R² value increased to 0.13. This indicated that career planning was able to explain an additional 11% (R² change = 0.11, F-change = 67.39, p<0.01) of the variance in career strategy. This result indicates that career planning (β = 0.35, p<0.01) is positively associated with career strategy. Therefore, Hypothesis 1 was supported.

TABLE III: RESULTS OF THE Hierarchical Regression Analysis of Career Planning and Career Strategy

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Model 1</th>
<th>Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. β</td>
<td>Std. β</td>
</tr>
<tr>
<td>Step 1: Control Variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-0.04</td>
<td>-0.05</td>
</tr>
<tr>
<td>Age</td>
<td>0.08</td>
<td>-0.02</td>
</tr>
<tr>
<td>Education level</td>
<td>0.10*</td>
<td>0.03</td>
</tr>
<tr>
<td>Step 2: Independent variable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career planning</td>
<td>0.35**</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td>0.02</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td></td>
<td>0.01</td>
</tr>
<tr>
<td>R² change</td>
<td></td>
<td>0.02</td>
</tr>
<tr>
<td>F-change</td>
<td></td>
<td>3.05*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.39**</td>
</tr>
</tbody>
</table>

Note: *p<0.05, **p<0.01; Dependent variable = career strategy

VII. DISCUSSION

The regression result (Table III) indicates that insurance agents who have extensively been involved in career planning are more likely to use a combination of strategies to attain their career objectives. 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 be stimulated them to implement particular career strategies.

These results are significant because they imply that insurance agents should take charge by planning and strategizing their own careers. 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 insurance agents need to
maintain good sales outcome, otherwise, they could face loss of job. To get a good sales performance, planning and strategies play important roles. By having 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 must plan and strategize their actions by being actively involved in information searching through network of contacts, and knowledge enhancement through seminars and training programs in order to effectively serve the customers. Being consistently involved in career planning and strategy implementation are now very common action plans of insurance agents to help them stay ahead of the competition.

VIII. CONCLUSIONS, IMPLICATIONS AND LIMITATIONS

Theoretically, results from this study provide a modest support for the career planning model, which proposes that individuals tend to implement career strategies if they have been involved in the actions of career planning. On the other hand, with limited studies on the careers of 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 behaviors, particularly in the context of the 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 engage in career strategies implementation. This implies that HR practitioners should take greater efforts to actively engage in career strategies implementation. This extensively involved in career planning and strategy implementation are now very common action plans of insurance agents to help them stay ahead of the competition.

Regarding study limitations, this study only concentrated on agents in the insurance sector, and did 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 researchers could widen the scope of examination by incorporating employees from other industries and perform comparative studies across different industries. Similarly, this study only focused on insurance agents located in the northern region of Malaysia. Since job responsibilities, requirements, rules and regulations are 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.

In summary, the research results have provided support for the key propositions. Most importantly, this study has succeeded in answering the research objective, which aimed at analyzing the empirical link between career planning and career strategy.

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