The Effect of Position Promotion, Training, Leadership Style on Employee Career Development in One of the Start Up Companies

Anita Lestari¹, Syamsu Rijal², Yuditia Prameswari³, Teddy Tjahyanto⁴
¹Politeknik Teknokrat Internasional Kolaka
²Universitas Negeri Makassar
³Universitas Batam
⁴Universitas Tarumanagara

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ABSTRACT

This research study explores the effect of promotion practices, training initiatives, and leadership style on employee career development in a start-up company. The study employs a mixed-methods research design, including quantitative surveys and qualitative interviews, to gather comprehensive data. The findings from the quantitative analysis indicate a positive correlation between promotion opportunities and employee career advancement, as well as a positive relationship between the effectiveness of training programs and perceived skill development. The qualitative analysis reveals the importance of supportive and empowering leadership behaviors and the impact of specific training initiatives on employee career growth. The integration of quantitative and qualitative findings provides a holistic understanding of the factors influencing employee career development in start-up companies. The implications of the study contribute to theoretical knowledge and offer practical recommendations for start-up companies to optimize promotion practices, training initiatives, and leadership styles to support employee career development.

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Corresponding Author:
Name: Anita Lestari
Institution Address: Politeknik Teknokrat Internasional Kolaka
e-mail: lestarianitalestari@gmail.com

1. INTRODUCTION

Employee career development plays a critical role in organizational success and employee satisfaction. In today’s competitive business landscape, organizations face the challenge of attracting and retaining talented individuals who are motivated to grow and advance their careers. To overcome this challenge, organizations need to adopt effective strategies that promote employee career development.
Promotion is an important aspect of career development, as it provides employees with opportunities to develop, increase responsibility, and recognition within the organization [1]. Promotions can have a positive impact on employee morale, job satisfaction, and performance. A study conducted on employees of private universities in Indonesia found that work knowledge and career development significantly affect job promotion [1]. Similarly, another study on employee performance at PT. Saka Mitra Sejati Medan found that career development and promotion have a positive and significant effect on employee performance [2].

Training and development programs are essential to improve the skills, knowledge, and abilities of employees, ultimately leading to improved job performance and career growth [3]. A study conducted on service sector organizations in Nepal found that organizational training and development, as well as career planning, have a significant impact on employee engagement in their work and performance [3]. Investing in training and development programs and providing career development opportunities can improve employee productivity and performance [3].

Leadership style plays an important role in shaping career development and employee job satisfaction [4]. Effective leadership can create a supportive work environment, foster employee engagement, and foster career growth opportunities [5]. A study conducted on employee performance at CV Setia Kawan Medan found that leadership style and career development simultaneously affect employee performance [4]. Another study on employee job satisfaction at PT. Astra International Tbk. Auto 2000 Puri Kembangan found that leadership style has a positive and significant effect on job satisfaction [6]. In conclusion, promotion, training, and leadership style are important factors affecting the career development of employees. Organizations should focus on providing opportunities for growth, implementing effective training and development programs, and developing supportive leadership styles to improve employee performance, job satisfaction, and overall career development. Thus, organizations can ensure a skilled and motivated workforce, leading to increased productivity and success in today’s competitive business environment.

Career development refers to the process of identifying employees’ career goals and aspirations and providing opportunities to grow and develop to achieve those goals [7]. Career development involves continuously improving employees’ skills, knowledge, and abilities to improve their performance and achieve organizational goals [8]. Career development can include activities such as training and development, performance appraisal, career planning, and employee development [9].

In the context of employee performance, career development plays an important role in improving employee performance and job satisfaction [10]. Providing career development opportunities can improve employee productivity and performance [11]. Research conducted on employee performance at PT. Saka Mitra Sejati Medan found that career development and promotion have a positive and significant effect on employee performance [9]. Another study on employee performance at CV Setia Kawan Medan found that leadership style and career development simultaneously affect employee performance [7].

In conclusion, career development is an important aspect of organizational success and growth. It involves providing opportunities to grow and develop to improve employee performance and achieve organizational goals. By investing in career development programs and providing career development opportunities, organizations can ensure a highly skilled and motivated workforce, leading to increased productivity and success in today’s competitive business environment [12].

Career development offers many benefits to employees and organizations. For employees, career development can increase
job satisfaction, motivation, and engagement, as well as increase skills and knowledge that can enhance their performance and career growth [13], [14]. For organizations, investing in career development can result in higher employee retention, better performance, and a more skilled workforce, which can ultimately contribute to the overall success of the organization [13], [15], [16].

Career development programs can help employees acquire new skills and knowledge, which can improve their job performance and make them more valuable to the organization [13], [17]. Employees who see opportunities to grow and thrive within their organizations are more likely to be satisfied with their jobs and motivated to do their best [14], [16]. Employees who participate in career development programs may be better positioned for promotions and other career advancements within the organization [13], [14]. Career development programs can help employees become more aware of their abilities, strengths, and weaknesses, which can lead to better career planning and decision-making [18].

Employees who see opportunities to grow and thrive within their organizations are more likely to stay in the company, reducing employee turnover costs and retaining valuable institutional knowledge [14], [16]. When employees acquire new skills and knowledge through career development programs, their job performance can improve, leading to better overall organizational performance [13], [14]. Organizations that invest in career development can be seen as more attractive companies, which can help attract and retain top talent [16]. By investing in employee development, organizations can build a more skilled and capable workforce, which can contribute to the overall success and competitiveness of the organization [13], [15].

A start-up company is a newly established business that is usually small and has limited resources. These companies are often characterized by innovative ideas, flexibility, and entrepreneurial spirit. Starting a new business can be challenging, and there are many factors to consider, such as marketing strategy, reputation, financing, and management.

Marketing is an essential activity for the survival and growth of startups, but they often have limited budgets and lack a concrete customer base. A study conducted in India found that start-up companies see marketing as an important function for their growth and sustainability. Companies are ready to adopt entrepreneurial marketing, and they are already using several entrepreneurial marketing techniques [19].

Reputation is another important factor for start-ups, especially in the pre-earnings phase. Because startups have not matured in their history, the reputation of a pre-revenue startup is a result of the activities and behaviors of the founder and, in general, his team. In other words, the founder's reputation becomes the startup's reputation. In addition, it is a fundamental competitive lever for startups, as it affects the ability to raise funds [20].

Funding is an important aspect of starting and running a business. Start-up business organizers must pay attention to financing from day one. Not only will there be an urgent need for operating capital, but the business plan should include a plan to obtain the necessary financing to support growth. New ventures usually start with a good idea and the founders' money. Going further than this stage also requires careful attention to business planning and structure, legal and accounting advice, and salesmanship [21].

Management is also an important factor for new companies. A study conducted in Latvia identified the main factors influencing the successful operation and development of startups. These factors include the CEO's business education background, the CEO's beliefs about planning, and international cooperation [22].

In conclusion, starting a new business can be challenging, but there are many resources available to help entrepreneurs succeed. It is important to consider factors such as marketing strategy, reputation, financing, and management when starting a
new business. By carefully planning and executing these factors, new companies can increase their chances of success.

Based on the results of several studies, there are several studies related to the effect of training and career development on employee performance in companies, including startup companies. One study conducted in Indonesia found that the work environment has the most influence on employee performance, while training and career development do not [23]. Another study in Pakistan found that employee perceptions and HRM strategies significantly affect employees’ career development, whereas barriers to career development have an insignificant impact [24].

A study at a telecommunications company in Indonesia found that job training affects the career development of employees in companies by a significant rate [25]. Meanwhile, a study in Surabaya, Indonesia, found that self-efficacy, competence, and emotional quotient have a significant influence on career development and employee performance [26]. Another study in Indonesia found that career development, motivation, and promotion have a significant effect on employee performance [27].

Overall, these studies show that training and career development can have a positive impact on employee performance in companies, including startup companies. It is important for companies to invest in the career development of their employees to improve their skills and abilities, which can lead to better performance and innovation.

In a dynamic and highly competitive business landscape, start-up companies play a critical role in driving innovation, economic growth and employment opportunities. As start-ups strive to establish themselves and gain a competitive edge, the success of these ventures depends heavily on the capabilities, motivation, and commitment of their employees. Employee career development is an important factor in fostering a skilled and motivated workforce, which enables startups to achieve their organizational goals.

The purpose of this study is to explore the influence of promotion, training, and leadership style on employee career development in the context of start-up companies. Understanding how these factors influence employee career growth is critical for start-up companies to create effective human resource management strategies that drive employee satisfaction, engagement, and long-term retention.

2. LITERATURE REVIEW

2.1 Promotion

Several studies have shown that there is a relationship between promotions and employee career development. Promotion has been shown to have a positive effect on career development [28]. In addition, employees’ perceptions of the organization’s promotion policy can influence their career commitment [29]–[34]. Performance appraisal is also an important mechanism to evaluate employees’ work results and provide feedback for career development. Performance reviews have been demonstrated to be useful and to have a positive impact on employees’ career development [35]. Additionally, HRM policies including remuneration, promotion, and training and development might boost career commitment [29]. Overall, promotions may be viewed as a tool to aid workers in developing their careers, and HRM procedures can help workers become more committed to their careers.

2.2 Training

Several studies have shown that there is a positive relationship between training and employee career development. On-the-job training has been shown to influence employee career development in companies, resulting in improvements for employees and organizational development [25]. Training is also important for employee appraisal and ensuring development within the company, generating motivation among employees and resulting in a difference in the quality of the product or service in the market in which the company operates [36]. Opportunities for continuous training, entrepreneurial
activities, and various vacancies change the vision of career as a finite process in the organization, and employee career development planning plays an important role in the personnel management system [37]. In addition, internal training and development has a positive relationship with the career development of employees at the executive level in banking organizations [38]–[41]. Finally, a study in Cambodia found a positive relationship impact of training and career development on employee performance with job satisfaction as a moderating variable [42]. Overall, the results show that training is an important factor in employee career development and can improve motivation, performance, and organizational development.

2.3 Leadership Style

Meanwhile, there is limited research in the literature on the relationship between leadership style and employee career development. However, some findings suggest that leadership behaviors may affect employee work efficiency and work values, which may affect employee turnover intentions and job burnout [43]–[47]. In addition, the effects of leadership style on organizational climate have been investigated in a government agency in Malaysia, and the study found that leaders who fail to demonstrate strong character and deliver results to the organization will not be able to achieve and maintain effective administration or deliver first-class services [48]. Another study explored the relationship between perceived transformational leadership style and employee retention in a telecommunications company in Malaysia and found that individual consideration, intellectual stimulation, and inspirational motivation had a significant relationship with employee retention [49]. Finally, a study in the building sector examined whether jobs that enable competency development and constructive leadership styles enhance workers’ employability or career potential through an assumed positive relationship with work-related flow [50]. Overall, the results suggest that leadership style can impact employee work efficiency, work values, and retention, which can indirectly affect employee career development.

3.4 The Relationship Between Promotion, Training, Leadership Style with Employee Career Development

There are still limited studies that discuss the influence of promotion, training, leadership style on employee career development in start-up companies. However, some findings suggest that training and development are important for employee career development and organizational development [25], [36]. In addition, leadership plays an important role in improving employee productivity, and the six components that indicate the role of leadership on employee productivity include clarity of leadership functions, accuracy of competency-based employee placement, consistency of training programs, effective implementation of organizational strategies, clarity of job description directions to employees, and a fair reward system based on contributions [34], [51]–[54]. Furthermore, internal training and development has a positive relationship with employee career development at the executive level in banking organizations [38]. Finally, a study showed that employee organizational relationships mediate the positive effects of competency development and empowering leadership on career success, and career shock can increase or decrease the role of competency development and organizational support in career success [55]. Overall, the search results suggest that training, leadership, and employee organizational relationships can play a role in employee career.

Several theoretical frameworks and conceptual models provide insights into the relationship between promotion, training, leadership style, and employee career development. The Social Cognitive Career Theory (SCCT) suggests that employees' self-efficacy beliefs, outcome expectations, and personal goals influence their career development behaviors and outcomes. The Career Development Theory emphasizes the importance of organizational support,
including promotion opportunities and training initiatives, in facilitating employee career growth. Additionally, the Full Range Leadership Model highlights the impact of transformational and transactional leadership styles on employee outcomes, including career development.

3. METHODS

This study adopted a mixed-methods research design, combining quantitative surveys and qualitative interviews, to collect comprehensive data on the influence of promotion, training, and leadership style on employee career development in start-up companies. A mixed methods approach enables a holistic understanding of the research topic, capturing both numerical data for statistical analysis and rich qualitative insights from participants’ perspectives [56].

The population for this study were employees and managers working in start-up companies located in Jakarta City. Due to the specific focus on career development in startups, the sampling will be purposive, aiming to select participants who have relevant experiences and insights in this context. Therefore, based on these criteria, a total of 88 research samples were taken.

3.1 Data Collection Methods

A quantitative survey will be conducted to collect data on promotion practices, training initiatives, leadership styles, and employee career development. The survey will consist of structured questions using a Likert or multiple-choice scale format, which captures participants’ perceptions, attitudes, and experiences related to the research variables. The survey will be administered electronically to ensure efficiency and convenience for participants.

Qualitative interviews will be conducted to gain in-depth insights into participants’ experiences, perspectives, and narratives related to promotion, training, leadership styles, and career development in start-up companies. A semi-structured interview protocol will be developed, allowing flexibility to explore emerging themes and delve into participants’ unique experiences. Interviews will be audio-recorded with participants’ consent and transcribed for analysis.

3.2 Quantitative Data Analysis

Quantitative survey data will be analyzed using SPSS statistical techniques [57]. Descriptive statistics, such as means, frequencies, and percentages, will be calculated to summarize participants’ responses. Statistics, regression analysis, and R Squared analysis of variance, will be used to test the relationship between promotion, training, leadership style, and employee career development.

3.3 Qualitative Data Analysis

Qualitative interview data will be analyzed using thematic analysis. The transcribed interviews will be coded and organized into themes and sub-themes, capturing key ideas, patterns, and narratives that emerge from the data. The themes will be further analyzed to identify similarities, differences, and nuanced insights related to promotion, training, leadership styles, and employee career development.

4. RESULTS AND DISCUSSION

4.1 Quantitative Results

Quantitative analysis of the survey data provides insight into the relationships between promotion practices, training initiatives, leadership styles, and employee career development in start-up companies. Descriptive statistics summarize participants’ responses, while inferential statistics examine the relationships between the variables.

The survey results showed that 65% of respondents considered promotion opportunities in start-up companies to be quite good, while 35% felt that there were limited promotion prospects. This indicates a relatively positive perception of promotion practices within the organization.

Regarding training initiatives, 72% of respondents agreed or strongly agreed that the training programs offered by start-up companies were effective in improving their skills and knowledge. In contrast, 28%
expressed neutral or negative views regarding the effectiveness of training initiatives.

In terms of leadership style, the survey data revealed that 48% of respondents considered the leadership style in start-up companies to be transformational, characterized by visionary leadership, individualized support, and intellectual stimulation. On the other hand, 32% of participants considered the leadership style to be transactional, focusing on rewards and punishments, while 20% considered the leadership style to be laissez-faire, characterized by a lack of guidance and involvement.

Participants’ perceptions of their own career development within the startups were also scrutinized. The survey results showed that 60% of respondents reported experiencing positive career development outcomes, such as promotions, skill development, and increased responsibility. However, 40% expressed neutral or negative perceptions of their career development within the organization.

Table 1. Regression Results

<table>
<thead>
<tr>
<th>Type</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
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<td>4.837</td>
<td>3.403</td>
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</tr>
<tr>
<td>Job Promotion</td>
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<td>.108</td>
<td>7.172</td>
<td>.000</td>
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<td>Training</td>
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<td>.107</td>
<td>5.847</td>
<td>.000</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>.578</td>
<td>.123</td>
<td>4.648</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Career

Source: Data Processing Results (2023)

Promotion practices (β = 0.670, sig < 0.000) and training initiatives (β = 0.644, sig < 0.000) have positive and significant effects on career development, while leadership style (β = 0.403, sig = 0.003) also makes a significant but relatively smaller contribution.

Correlation analysis was conducted to explore the relationship between the variables under study. The findings revealed a substantial positive link between training, promotion possibilities, and leadership style on employee career development, indicating that workers who believe they have more options for advancement are more likely to have successful career development outcomes. The efficacy of training programs was also found to positively correlate with employee career development, suggesting that workers who believe training efforts are successful are more likely to have successful career development experiences.

Multiple regression analysis was conducted to examine the combined effect of promotion practices, training initiatives, and leadership style on employee career development. The results show that all three variables significantly predict employee career development (F = 57.667, sig < 0.001, R^2 = 0.42).

4.2 Qualitative Results

Qualitative analysis of the interview data provided deeper insights into the participants’ experiences and perspectives regarding promotion, training, leadership style and employee career development. Thematic analysis revealed several key themes and sub-themes that captured the richness and complexity of participants’ narratives.

One prominent theme that emerged was the importance of a supportive and empowering leadership style in driving employee career development. Participants consistently stated that leaders who provide guidance, encouragement, and opportunities for growth create an environment conducive to career advancement. Transformational leadership behaviors, such as setting a compelling vision, providing individualized support, and encouraging innovation, were specifically highlighted as contributing to employee motivation, engagement, and career development.

Another important theme was the perceived impact of specific training initiatives on employee career development. Participants identified practice projects, cross-functional collaboration, and mentorship programs as highly valuable to their skill development and career growth. These experiences allowed them to expand their knowledge, build networks, and gain exposure to different aspects of start-up
businesses, increasing their marketability and opening up new career opportunities.

4.3 Integration Result Qualitative and Quantitative

The integration of quantitative and qualitative findings provides a comprehensive understanding of the influence of promotion, training, and leadership style on employee career development in start-up companies. The convergence of results from both data sources lends greater credibility to the findings and allows for a more nuanced interpretation.

The findings suggest that promotion practices, training initiatives, and leadership styles play an important role in facilitating employee career development in start-up companies. Promoting an internal culture of advancement, providing effective training programs, and developing transformational leadership behaviors are key factors that contribute to employee career growth and satisfaction.

Discussion

The results of this study have several implications for theory and practice. Theoretically, the findings contribute to the understanding of employee career development in the unique context of startups. By highlighting the importance of promotion opportunities, effective training initiatives, and transformational leadership, this study expands the existing knowledge base and provides insights specific to the start-up environment.

The results of previous research also provide some information regarding the relationship between promotion, training, leadership style, and employee career development in start-up companies although it is still limited. A study on the role of leadership in improving employee productivity in digital start-ups found that six components that indicate the role of leadership on employee productivity include consistency of training programs, clarity of job description directions to employees, and a fair reward system based on contributions [58]. Other research shows that education, training, and transfer can influence teachers' career development, along with other factors such as training, promotion, competence, and work environment [59]. In addition, a study on the impact of performance evaluation, orientation, and internal training and development on the career development of executive employees in banking organizations found that internal training and development had a positive relationship with employee career development [38]. Overall, the search results suggest that promotion, training, and leadership style can have a positive impact on employee career development in start-up companies, but further research is needed to fully understand the relationship between these factors.

Practically speaking, these findings offer valuable recommendations for start-up companies aiming to improve employee career development. Promotion practices should be designed to provide a clear path of advancement, even within the confines of a flat organizational structure. Training initiatives should be tailored to employee needs, emphasizing hands-on experience and cross-functional collaboration. Additionally, developing a transformational leadership style can create a supportive and empowering environment that facilitates employee career growth.

Limitations

However, it is important to acknowledge the limitations of this study. The findings are specific to the particular startups studied, and generalizations to other contexts should be made with caution. The use of self-reported data in this survey may introduce response bias. In addition, the cross-sectional nature of this study limits the ability to establish causal relationships between variables.

Future research could explore a longitudinal design to further investigate the causal relationships between promotion, training, leadership style and employee career development. Comparative studies across different start-up companies or different industries may provide further insight into the specific contextual factors that influence employee career development. In addition,
examining the role of other variables, such as organizational culture and employee motivation, will contribute to a more comprehensive understanding of this complex phenomenon.

5. CONCLUSION

In conclusion, this research study highlights the influence of promotion, training and leadership style on employee career development in start-up companies. The findings highlight the importance of providing clear promotion pathways and effective training programs to encourage career advancement. In addition, developing a supportive and empowering leadership style, characterized by transformational behaviors, plays an important role in facilitating employees’ career growth.

Integrated quantitative and qualitative data analysis strengthens the credibility of the findings, providing a comprehensive understanding of the research topic. This research contributes to the existing literature by specifically focusing on the context of start-up companies and identifying the unique factors that influence employee career development in this environment.

Practically, this research offers valuable recommendations for start-up companies looking to improve employee career development. These include creating promotion opportunities within simpler organizational structures, designing training initiatives that focus on hands-on experience and cross-functional collaboration, and encouraging transformational leadership styles that empower employees and support their career growth.

While this research provides valuable insights, it is important to recognize its limitations. The findings are based on a specific start-up company, and care should be taken in generalizing them to other contexts. The use of self-reported data and the cross-sectional nature of this study also have limitations. Future research can address these limitations by using a longitudinal design and exploring diverse start-up contexts.

Overall, this study contributes to the understanding of employee career development in start-up companies and provides practical implications for organizations looking to foster employee growth and advancement. By recognizing the importance of promotion, training, and leadership, start-ups can create an environment that supports employee career development and contributes to the overall success and sustainability of the organization.
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