

CAREER-ORIENTED CULTURE OF SMES AND MILLENNIAL GENERATION

Dileep Kumar M.

Berjaya University College, Malaysia.
dileep.kumar@berjaya.edu.my

Normala S Govindarajo

Help University, Malaysia.
normala@help.edu.my

ABSTRACT

Large scale industry has the budget to look at best of Career-Oriented options to employees in comparison with Small and Medium Scale industries. With such scenario, SMEs are struggling to develop better employee motivation to retain their staff. As a panacea, the HR managers need to look into all probabilities of ensuring a career oriented culture in SMEs. A study was conducted in the Klang Valley region of Malaysia to explore the relationship between career oriented culture and motivation, engagement, job performance. The study followed quantitative research with adapted instruments and applied PLS SEM to analyse the data. The study extends better insight into the Career-Oriented options to employees in SMEs and strategic implications.

Keywords: *SME, career oriented culture, motivation, engagement, job performance.*

INTRODUCTION

The small and medium scale enterprises (SME) are mushrooming across the globe but not many are successful as they have to compete for resources with the large-scale enterprises (LSE). One of the key resources, the human resource pool, is also common for all employers. With the ability to pay high salaries, the best of the talent pursue their career in the LSEs, leaving SMEs high and dry. At this juncture where the millennial generation, born between 1980 and 2000 is entering the workforce, it becomes essential for SMEs to devise a strategy to tap this talent. Contrary to LSE's which are capital intensive, SMEs are labour intensive therefore attracting and retaining the talented workforce is important. In the current business environment career orientation could be the competitive advantage and hence we propose that if SMEs build the career-oriented culture, they would be able to attract and retain the talent in SMEs. Ensuring a career development culture among SMEs is a challenging situation for human resource managers across the world. The current study is focussed on the millennial employees relating career oriented culture with employee engagement and job performance. The study follows positivistic philosophy with quantitative approach to explain the relationship between independent and dependent variables selected, with the support of Partial least square Structural Equation Modelling.

REVIEW OF LITERATURE

Role of SMEs in Malaysia

SMEs in Malaysia are regarded as critical driver in economic and social development of the country. According to SMIDEC (2013, 2014), SMEs including micro SMEs have contributed to Malaysia's development by nurturing growth, reduction in unemployment and increasing purchasing power in the country. Gross Domestic Product (GDP) of SMEs increased at annual growth rate of 6.8%, far above the average overall GDP growth of 4.9% per annum in the period 2004 – 2010. "SMEs comprise of 99.2% of total private organization in the nation and current statistics signify that SMEs contribute 32% of GDP, 59% of employment and 19% of exports" (SMIDEC, 2014). SMEs are crucial part of the overall economic landscape of nation as SMEs are the key driver for domestic market growth and foundation of activity in the private sector. SMEs are also considered having a key role in enhancement of invention and undertake the role of being the stabilization factor in the economic downturn situations. (SMIDEC, 2013; 2014). In Malaysian economy, SMEs are very important and play an important role in its development (Omar et al., 2009). Small and medium enterprises (SMEs) play a vital role in the Malaysian economy and are considered to be the backbone of industrial development in the country (Saleh & Ndubisi, 2006). The future progress of Malaysia seems to depend greatly upon development of SMEs and they are vital for accomplishing vision 2020, to be fully developed and become an industrialized nation by the year 2020. SME's from service sector in Malaysia which made by 580,985 firms out of total 645,985 SMEs establishment in Malaysia which accounts for almost 90% of establishment in Malaysia of which 60% of the establishment belong to wholesale and retail businesses as illustrated in Figure 1.2.1 below. In addition, 90% of establishment are in the service sector and SMEs in value added services recorded a growth of 6.8% in 2013 versus the overall services sector growth of 5.9%. Based on SMIDEC annual report, service sector is targeted to maintain similar growth for 2014 of 5.9%. The growth in service sector was contributed mainly by the SMEs in wholesale and retail trade which make up 59.8% of total SME services sector.

Table 1: Growth Rate by Sector – SMEs

Year	2005	2006	2007	2008	2009	2010	2011	2012
	GROWTH RATE							
Agriculture	-	8.3	3.3	2.3	1.2	5.9	6.2	1.9
Mining & Quarrying	-	4.9	12.7	1.6	1.8	3.6	6.6	14.6
Construction	-	0.3	12.4	2.6	6.9	16.0	4.6	15.3
Manufacturing	-	6.7	7.2	0.7	-7.0	11.2	7.6	6.0
Services	-	6.8	12.6	0.8	2.6	7.0	6.8	6.9
Total SME GDP	-	6.4	10	6.5	0.2	8.3	7.0	6.0

(Source: SME Annual Report, 2012)

However, since 2010 to growth of the service sector is on the decline (as illustrated in Table 1) there is no further increase in contribution of this service sector which translates the market performance of SMEs is stagnating. (Annual Report, SME Corporation, 2012). In addition, service sector contribution to Malaysian GDP is at 20.2% of overall GDP as such the critical importance for enhancing business performance of service is vital for overall well-being of the nation (Annual Report, SME Corporation, 2012).

Table 2: Distribution of Establishment by Sector in Malaysia

Sector	Total Establishments	Total SMEs	Percentage(%) of SMEs over Total Establishments	Total Employment by SMEs
Overall Total	662,939	635,136	97.3	3,669,259
Services	91,883	580,985	98.1	2,610,373
Manufacturing	39,669	37,861	95.4	698,713
Agriculture	8,829	6,708	76.0	78,777
Construction	22,140	19,283	87.1	275,631
Mining & Quarrying	418	299	71.5	5,765

(Source: SME Annual Report (2013/2014))

Problem Formulation

SMEs find it difficult to compete with LSE's and more than 50 percent of SMEs collapse within first five years of operation (Reiss, 2006; Ahmad and Seet, 2009). Although there is no government information regarding the SME failure rate of Malaysia but the estimated failure rate is approximately 60 percent (Portal Komuniti, 2006; Ahmad and Seet, 2009) which is a matter of concern. Malaysia is a knowledge-based economy (Bhatiasevi, 2010) and hence intellectual capital is the critical resource for organization to thrive in a competitive environment (Shaari et al., 2010; Leitner ,2011 and Bataineh and Zoabi ,2011) as the intellectual capital is gradually replacing the physical assets in modern enterprises (Ding and Li ,2010). As millennials are now replacing baby-boomers in the workforce (PWC, 2016), the companies need to revamp their employee attraction, selection, and retention strategies. Research shows that Gen Y and Z place personal and professional development at the very top of their priorities when choosing an employer (PWC, 2016). Skills shortage, employee motivation, employee engagement and job performance are an area of undeniable importance to the SME sector and a challenge for human resource management. LSEs with strong brand names are at an advantage in attracting talent pool as these corporations have bigger budgets to spend on structured learning and development programmes for employees. However, many small businesses operate with either no or very lean HR functions with the learning initiatives to support future growth often as the last priority. The millennials, desire a workplace that offers them learning and development opportunities, challenging jobs and professional growth. As Millennials reshape the workforce, SMEs need to look at HR strategies to suit millennial work force in order to motivate, engage, perform and retain talented individuals as well as stay competitive in the marketplace. The ability to effectively manage the issues involved in developing the skills of employees from various generational groups is therefore a considerable challenge for enterprises (Akremi, Guerrero, & Neveu, 2006). In terms of career development practices, SMEs face many challenges with regard to their employees. Several SMEs are unable or unwilling to fund effective career development support. SMEs do not have a systematic approach to offer opportunities for employees to develop their skills and gain qualifications. Training is often offered as an adjustment of skills from a very narrow perspective. Certain groups of employees, such as part-time or unskilled workers, are frequently excluded from training opportunities (Cedefop, 2008). Best Companies to work for rankings suggest the small companies that embrace learning/professional development as part of their corporate culture is most successful and have the best track record for hiring and retaining happy

employees (The Sunday Times, 2016). This indicates that a career-oriented organizational culture would impact the employee motivation, engagement and job performance. Hence, a research need to be conducted to investigate the presence of career development culture in the small and medium scale industries and its influence on millennial generation motivation, work engagement and job performance.

Research Questions

Based on the background and the literature gathered, the main research questions that will be pursued through this research are as follows:

1. Does any direct and positive relationship exist between career development culture and motivation among millennial employees in SMEs of Malaysia?
2. Does any direct and positive relationship exist between career development culture and engagement among millennial employees in SMEs of Malaysia?
3. Does any direct and positive relationship exist between career development culture and job performance among millennial employees in SMEs of Malaysia?
4. Does any direct and positive relationship exist between training and development and motivation among millennial employees in SMEs of Malaysia?
5. Does any direct and positive relationship exist between training and development and engagement among millennial employees in SMEs of Malaysia?
6. Does any direct and positive relationship exist between training and development and job performance among millennial employees in SMEs of Malaysia?

Theoretical Frame

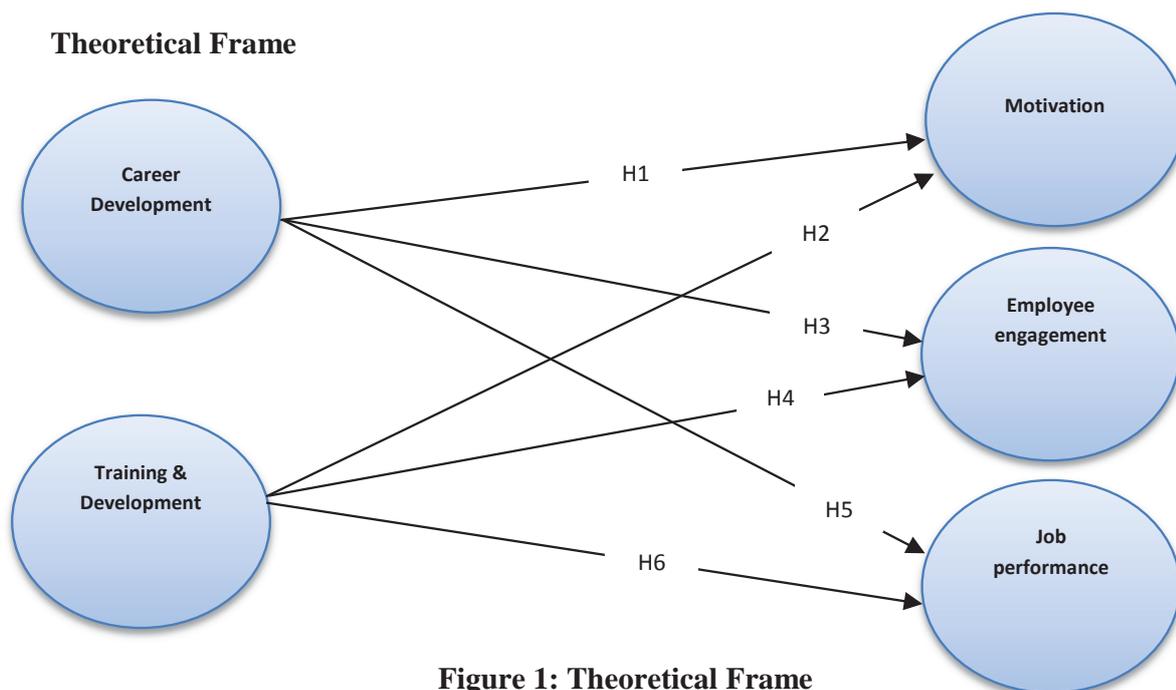


Figure 1: Theoretical Frame

Hypothesis Formation

Career development culture and employee motivation

As far as SMEs are concerned there is limited information related to the existence of any career development culture in relation to millennial workforce. According to a recent online research survey conducted by graduate-jobs.com, 73% percent of respondents said they thought ‘working for an SME is much riskier than working for a large company, with better career prospects at the latter (PWC, 2016). Such contradictory reports indicate the need of understanding of the existence of any career oriented culture and its influence on millennial employee’s motivation in small and medium scale industries. Thus, this study hypothesized that there is relationship exists between career oriented culture and motivation among millennial employees in SMEs of Malaysia

H1: Career oriented culture has direct and positive relationship with motivation among millennial employees in SMEs of Malaysia.

Career development culture and employee engagement

A recent study by a global consulting firm found that the conditions of the engaged workforce in the Asia Pacific region remain somewhat bleak. Second, the fact that the new generations of employees seem not to be as highly engaged as the earlier generations poses serious threats to the development of the workforce, particularly in developing countries. Employee engagement initiatives is more about the reality of, how people are managed, and whether they feel listened to and engaged in a rational way. A career development culture existence in SME and its relationship with the millennial workforce is less researched into in the Malaysian SME context. Thus, this study hypothesized that there is relationship exists between career oriented culture and engagement among millennial employees in SMEs of Malaysia.

H2: Career oriented culture has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia.

Career development culture and employee job performance

A career development culture ensures a process that integrates and supports on-going activities, maximizing the value of on-the-job experience with training and development opportunities. A few researches in the SME context were conducted relating career oriented work culture and millennial generation job performance attitude. The reality as it is exposed by researchers, when SMEs are in a more economically and financially precarious situation (survival mode) or do not consider career development as an investment in their human resources, they seem to adopt a less open attitude towards employee development (Goyer, 2010). Thus, this study hypothesized that there is relationship exists between career oriented culture and job performance among millennial employees in SMEs of Malaysia.

H3: Career oriented culture has direct and positive relationship with job performance among millennial employees in SMEs of Malaysia.

Training and development and employee motivation

It is indicated by researches that only limited proportion of the SME's have a training and development plan for their employees and SMEs still experience barriers to invest in the development of their employees. The millennial generation expects continuous development and advancement in their career. Motivation of these generations depends on continuous feedback on their performance as well as the development opportunities. How far the training and development vision works in SMEs of Malaysia and how it is effective with millennial generation is less researched into. Thus, this study hypothesized that there is relationship exists between training and development and motivation among millennial employees in SMEs of Malaysia.

H4: Training and development has direct and positive relationship with motivation among millennial employees in SMEs of Malaysia.

Training and development and employee engagement

The proportion of the working population employed in smaller firms, together with the personal and wealth creation implications for individuals in this sector not fulfilling their potential emphasizes the importance of the creation of company cultures that encourage and value organisational learning, training and skills application (Kerr and McDougall, 1998; Beaver and Jennings, 2001). The scenario will be more difficult when the SMEs are filled with Y generation employees and their positive engagement with work and work organisation will be at stake when their development requirements are not met with in time effectively. Employee engagement has been acknowledged as a vital factor contributing to organizational success and could have positive implications in all aspects of any business. Thus, this study hypothesized that there is relationship exists between training and development and employee engagement among millennial employees in SMEs of Malaysia.

H5: Training and development has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia.

Training and development and employee job performance

Ruch (2000) argues that the movement of Gen Y into the workforce has altered the traditional scenario of a worker having to hit the deck running, to one in which the employer is the one having to catch up, and embrace the diversity of attitudes. Gen Y has been treated more as individuals than any other generation. They place emphasis on personal experience rather than performance – stating that they should be rewarded on the basis of their own capabilities rather than against a prescribed system of objectives (Hill, 2002). How far the training and development efforts works in SMEs of Malaysia and how it is effective with millennial generation on job performance is less researched into. Thus, this study hypothesized that there is relationship exists between training and development and job performance among millennial employees in SMEs of Malaysia.

H6: Training and development has direct and positive relationship with job performance among millennial employees in SMEs of Malaysia.

METHODS

Measurements of Constructs

Most of the measurements that have been utilized in this current study were adapted from past-established instruments. While some instruments are developed, contextualizing the topic to banking sector. All measurement items (35 items) coming from each construct and its Cronbach alpha level. All measures achieved Cronbach alpha level beyond the recommended level of 0.60 passing the minimum requirement (Nunnally, 1960).

Table 3: Measurement of Constructs

No.	Instruments	No. of Items	Scale (Likert)	Reliability	Authors
1	Career development culture	7	7 point scale	0.87	Chen, Chang and Yeh (2004).
2	Training and Development	8	5 point scale	0.82	Kuvaas (2008).
3	Intrinsic Motivation	6	5 point scale	0.86	Kuvaas and Dysvik, (2009).
4	Employee engagement (UWES)	17	7 point scale	0.91	Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002)
5	Job Performance (IWPQ)	18	7 point scale	0.73	Koopmans et al. (2013a); Koopmans et al. (2014).

Sampling

The data source for this research is primarily based on secondary data from the Directory List of SMEs in Malaysia from the SME Corporation Malaysia. From the directory list, using cluster sampling, firms were randomly selected and focused on SMEs from service sector which are made of the subsector wholesale and retail located in the state of Selangor. A sample was drawn from SMEs directory available from SME Corporation Malaysia which consist details of all SMEs in Malaysia. From the SMEs Directory, SMEs belonging to service sector were identified and isolated.

Table 4: SME Distribution

State	Services	Manufacturing	Agriculture	Mining & Quarrying	Construction	Total SMEs
Selangor	110,714	8,314	834	23	6,019	125,904
WP KL*	78,448	4,201	5	2	2,023	84,679
Johor	60,618	4,828	994	27	2,407	68,874
Perak	53,322	3,833	962	84	1,827	60,028
Sarawak	40,608	1,977	322	19	904	43,830
Sabah	37,612	1,382	812	24	1,054	40,884
Pulau Pinang	36,899	2,614	269	7	1,035	40,824
Kelantan	35,372	1,814	326	30	281	37,823
Kedah	33,123	2,809	603	17	540	37,092
Pahang	26,815	1,305	630	13	699	29,462
N.Sembilan	21,633	1,495	435	11	968	25,542
Terengganu	19,882	1,782	196	37	617	22,514
Melaka	19,694	1,107	252	4	618	21,675
Perlis	4,484	291	63	1	214	5,053
WP Labuan	1,761	109	5	0	77	1,952
Total SMEs	580,985	37,861	6,708	299	19,283	645,136

(Source: SME Corporation Report 2012/2013) *Includes WP Putrajaya

In order to conduct the research, the location most population of SMEs in service sector were identified. Finally, SMEs for the wholesale and retail sector was drawn from Selangor where 19.5% from service sector are located from this state. Further SMEs in state Selangor which belong to wholesale and retail sector were segregated from the state for sampling. To segregate the population of wholesale and retail SMEs in the Selangor state, the study followed cluster sampling as it plans of sampling. Klang Valley was chosen for the study location since it is known as the hub of Malaysia SMEs businesses. Almost 50 percent (<http://www.smeinfo.com.my>) of Malaysia SMEs are located in the area. Most of these SMEs are in the services sector, as it is indicated above, particularly in retail, restaurant and wholesale businesses.

Cluster sampling is usually selected over (the more statistically precise) random sampling when the geographic area is large, and it will be too difficult, costly, and/or lengthy to cover the entire area with random sampling. The retailers are located in vast areas of Selangor and it is amenable for a cross sectional study design to reach at every respondent, covering all districts in the Selangor region. Hence, the study developed the clusters based on the regional segregation of south, west, north and east region of Klang Valley region where, large number of SMEs segregation reported. These regions have high representation of retail industry and there is high representation of small and medium sectors in the Selangor region of Malaysia. Since there is no accurate statistics available to arrive at a fixed number for appropriate sampling method the study considered each region where the groups of SMEs the small and medium scale service enterprises as well as micro financial institutions are located as clusters. Soon after cluster, sampling the study followed non-probability sampling to arrive at proper number of SMEs that need to be considered for the data collection. Since the researcher places great emphasis on the participants' commitment

and suitability for the research topic, purposive sampling was used according to the characteristics utilized for selection in this study. The second sampling method that was used in this study is non-probability sampling, which is the total opposite of probability sampling.

Further this method is most appropriate as it relies on those small and medium enterprises owners who were willing to participate and cooperate with the researcher throughout the data collection process of this study. The minimum sample size requirements may vary depending on statistical techniques used. The recommended sample size for SEM analysis is 100-400 sample size or 10 times the number of observed variables (Hair et al., 2010). The minimum sample size requirements may vary depending on statistical techniques used. The recommended sample size for SEM analysis is 100-400 sample size or 10 times the number of observed variables (Hair et al., 2010). This means a minimum of 380 (38x10) sample sizes is needed for analysis in SEM. A total number of 384 small and medium enterprises owners purposely selected, and based on Hair's et al., (2006) and Sekaran's (2003) suggestion, the 384 workers is within the suggested size and also an appropriate number to assess the accessible population of the study. Further the study given due attention to Krejcie and Morgan (1970) table, which represent a stable sample size of 384 for less than 1 million SMEs.

Normality Tests and Outliers

Table 5: Analysis of Skewness and Kurtosis

	N	Mean	Skewness		Kurtosis	
			Statistic	SE	Statistic	SE
CDC	384	3.82	-1.87	.102	1.32	.199
TD	384	3.72	-1.47	.102	1.567	.199
IM	384	3.69	-1.43	.102	1.345	.199
EE	384	3.91	-1.034	.102	1.091	.199
JP	384	3.74	-1.63	.102	1.341	.199
Valid N	384					

Normality test presents the checking for the normality of data and checking for the outliers. For the normality of data, the assumption posits that each variable including the combination of variables should be normally distributed (Tabachnick and Fidell, 1996). Also the rule of thumb for data normality assumption suggests that a variable containing z value for skewness and kurtosis within the range of ± 4.5 for extreme outliers or the statistic value of skewness and kurtosis which fold between ± 2.00 should be accepted (Tabachnick and Fidell, 2007; Stevens, 2009). Therefore, the study conducted analysis on skewness and kurtosis for the data and the Table 5 below provides detail information about the skewness and kurtosis value of the study variables in this research. From the result in Table 5 above, it clearly indicates that all of the latent variables are normally distributed with a slightly negatively skewed though still fall between the acceptable. The data obtained were rechecked in order to obtain the reliability of the data. To calculate the z value of the skewness and kurtosis for this study, the study adopted a formula which is "statistic value /standard error". This is clearly depicted in Table 5 which provides the z value of all

variables. The result of z value of skewness and kurtosis falls within the acceptable range of -2 to + 2 (George and Mallery, 2010). Further checking for the normality of the data did allowed the study to utilize the plotting and inspection of the histogram. Following Field's (2009) suggestion, the present study adopted the use of histogram and normal probability plot. Therefore, histogram and normal probability plots were examined to ensure that normality assumptions were not violated. Table 5 depicts that data collected for the present study are assumed to be normality distributed since all the bars on the histogram were closed to a normal curve. Thus, Table 5 indicates that normality assumptions were not violated in the present study.

Internal Consistency

This was used to ascertain the measurement model through the internal consistency. It also ascertain whether the set of indicators are reliable or not reliable. To overcome some of the limitations of using Cronbach's alpha, the composite reliability was suggested in the Structural Equation Modelling (SEM) literature (Anderson and Gerbing, 1988). For safety purpose, this particular study utilized both Cronbach's alpha and the composite reliability measures in order to have more accurate findings. Table 6 demonstrate that the results of the composite reliability and the values of cronbach alpha for all the relective constructs.

Table 6: Measurement Model Quality Criteria

	Cronbach Alpha	Composite Reliability	AVE	Communality
CDC	0.95	0.87	0.51	0.51
TD	0.87	0.90	0.63	0.63
IM	0.84	0.92	0.61	0.61
EE	0.95	0.93	0.56	0.56
JP	0.88	0.92	0.59	0.59

The results shown in Table 6 indicate that entire study construct meet the satisfactory level of composite reliability and cronbach alpha meeting the minimum cut off value 0.7.

RESULTS

Structural Model

In this section, the result of the structural model and tests of hypotheses for this study will be presented. Following Hair et al. (2011; 2012), this section is concerned using the standard bootstrapping process with a number of 5000 bootstrap sample on 384 cases to assess the importance of the path coefficients. Using the PLS bootstrapping output, the moderation effects of organizational culture will be calculated. Figure 2, illustrates the estimation for the full structural model. To understand the relationship between the constructs, SEM-PLS structural model analysis was conducted. The contribution of each construct of the

exogenous variable is represented by the standardized beta values within the PLS structural model (Chin, 1998).

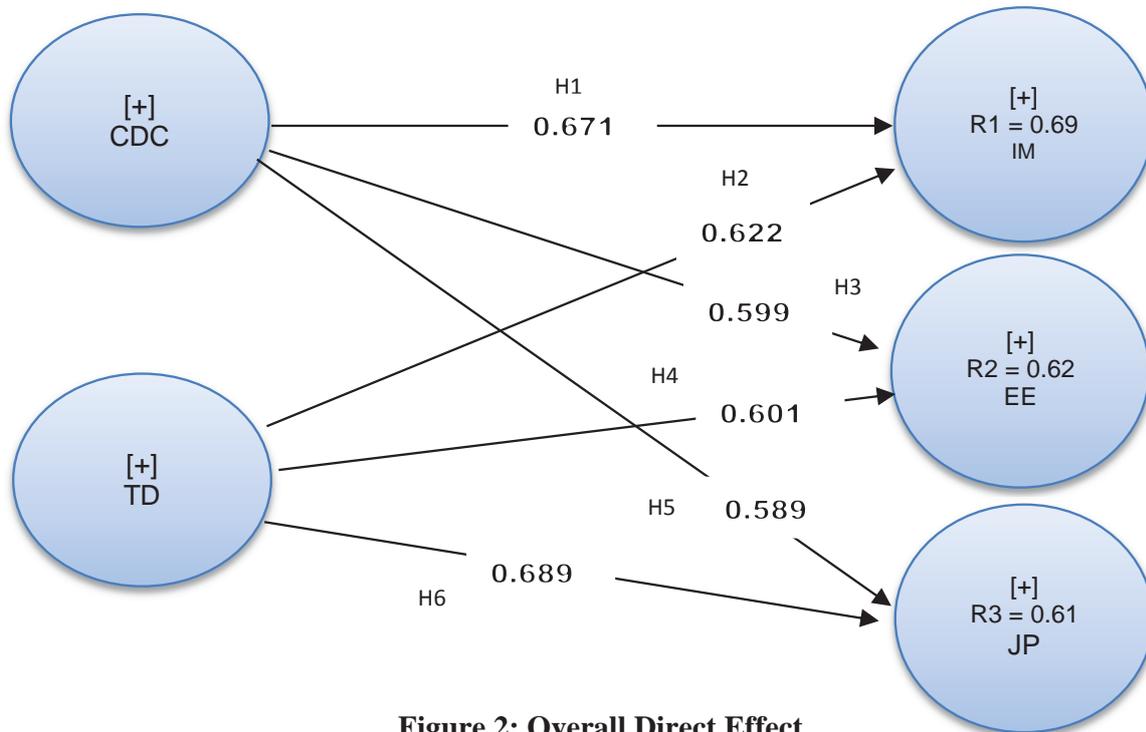


Figure 2: Overall Direct Effect

Important criterion for assessing the structural model in PLS-SEM is the R squared value, which is also known as the coefficient of determination (Hair *et al.*, 2011; Hair *et al.*, 2012; Henseler and Fassott, 2010). The R-squared value represents the proportion of variation in the dependent variable(s) that can be explained by one or more predictor variable (Elliott and Woodward, 2007; Hair *et al.*, 2010; Hair *et al.*, 2006). Although the acceptable level of R2 value depends on the research context (Hair *et al.*, 2010), Falk and Miller (1992) propose an R-squared value of 0.10 as a minimum acceptable level. Meanwhile, Chin (1998) suggests that the R-squared values of 0.67, 0.33, and 0.19 in PLS-SEM can be considered as substantial, moderate, and weak, respectively.

In particular, a cross-validated redundancy measure (Q^2) was applied to assess the predictive relevance of the research model (Chin, 2010; Geisser, 1974; Hair *et al.*, 2013; Ringle, Sarstedt and Straub, 2012; Stone, 1974). The Q^2 is a criterion to a measure how well a model predicts the data of omitted cases (Chin, 1998; Hair *et al.*, 2014). According to Henseler and Fassott (2010), a research model with Q^2 statistic (s) greater than zero is considered to have predictive relevance. Additionally, a research model with higher positive Q^2 values suggests more predictive relevance. The figure 2 clearly indicates the predictive relevance of the model generated in this research. This particular study has posed 6 hypotheses involving the direct analysis. The composite model which has come out the overall analysis indicates that the entire hypothesis considered for the study is well established the causation.

Table 7: Summary of Hypothesis Testing

Research Questions (RQ) & Hypothesis	Assessment
RQ1: Does any direct and positive relationship exist between career development culture and motivation among Millennials employees in SMEs of Malaysia?	
H1: Career development culture has direct and positive relationship with employee engagement among millennial employees in SMEs of Malaysia. H1: CDC→IM	Supported
RQ2: Does any direct and positive relationship exist between career development culture and engagement among Millennials employees in SMEs of Malaysia??	
H2: Career development culture has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia. H2: CDC →EE	Supported
RQ3: Does any direct and positive relationship exist between career development culture and job performance among Millennials employees in SMEs of Malaysia?	
H3: Career development culture has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia. H3: CDC →JP	Supported
RQ4: Does any direct and positive relationship exist between training and development and motivation among Millennials employees in SMEs of Malaysia?	
H4: Training and development has direct and positive relationship with motivation among millennial employees in SMEs of Malaysia. H4: TD→IM	Supported
RQ5: Does any direct and positive relationship exist between training and development and engagement among Millennials employees in SMEs of Malaysia?	
H5: Training and development has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia. H5: TD →EE	Supported
RQ6: Does any direct and positive relationship exist between training and development and job performance among Millennials employees in SMEs of Malaysia?	
H6: Training and development has direct and positive relationship with engagement among millennial employees in SMEs of Malaysia. H6: TD →JP	Supported

Discussion

This chapter discusses the result of the research in six objectives framed in the study. The aim of this research is to get better insight into the effect of career development culture and training and development on motivation, engagement and job performance among millennial generation employees in Malaysia. In order to assess this impact, the study formed 6 research questions explaining the causation between independent and dependent variables selected for the study. The study used partial least square, analysis to evaluate the relation between

career development culture and servant leadership on motivation, engagement and job performance among millennial generation employees. It is observed that all the causative variables viz., career development culture and training and development has direct and positive relationship with the dependent variables motivation, employee engagement and job performance. Subsequently the following discussion supports the causations to have better predictability and generalization.

Development culture is one in which individuals grow in ways needed by the organization. In a development culture, employees are expected to grow, supported in their efforts to do so, and are rewarded for success as measured by their contributions (Simonsen, 1997, p. 4). "For organizations wishing to remain relevant and thrive, learning better and faster is critically important." (Serrat, 2008, p. 2). According to researchers, (Hurley, 2002; Hurley and Hult, 1998) organizational learning culture helps organizations to affect the behaviour of employees. Researchers (e.g., Joseph and Dai, 2009) are of the opinion that organizational culture that has characteristics like group cooperation, trust, open communication, employee involvement, constructive participation and empowerment are conducive to organizational performance. "Similarly, the literature supports that employees and systems can mutually benefit from the career development process, reinforcing its relevance as a human resource development function" (McDonald and Hite, 2005, p. 421). It is, therefore, expected that if organizations involve employees in career development activities, this will increase their level of commitment, and satisfaction that encourage performance improvement, stay in organization, accomplishing organizational objectives efficiently (Ababneh, 2013). On a contrary remark, the small and medium scale organisations are budget driven and are usually less envisaged into a learning organisation culture, which seldom facilitate career oriented values and preference of the employees. Then employees in the organisations especially the millennial generations have high expectation on the career advancement and they usually negotiate the same with the management. The resultant manifestation of their dissatisfaction with the work culture, which does not encourage their career development opportunities is end up with their intention to leave from organisation. In this context, Rasool et al, (2012) indicates that all employees who are looking for next move actually look for some meaningful and relevant work. According to the researchers, employees can get more success in the organization, if policies are employee - driven, there must be support by the culture of the organization, not employee - exclusive.

In order to have implemented employee driven policies, managers have extensive knowledge about behaviour of employees and these policies must be well positioned to support career development of employees. Several factors discourage SMEs from participating in skills development: lack of financial resources (Devins and Johnson, 2003 ; Goldenberg, 2006 ; Saru, 2007 ; European Network for SME Research, 2003), fear of seeing their employees leave after the training (Devins, Johnson and Sutherland, 2004 ; ENSR, 2003), lack of time (Goldenberg, 2006 ; ENSR, 2003), lack of knowledge of training opportunities (Goldenberg, 2006 ; Lange, Ottens and Taylor, 2000 ; Saru, 2007 ; ENSR, 2003), scepticism regarding the positive impact of training 25, lack of succession planning, lack of relevant courses, and lack of motivation (employees and management). In addition, some employers believe that training benefits the individual more than the enterprise (ENSR, 2003). While it may be necessary to demonstrate that offering training to their employees has a positive impact for SMEs (Rowden,2002; Devins and Johnson, 2003), the same is true when it comes to implementing measures to foster skills development and job retention (Goyer, 2007). However, the current study clearly indicates that low level training

and development opportunity experienced by an SME employee in a weak career oriented culture can lead to low level motivation, engagement and job performance. Ensuring better career plan and career development plan is a pre-requisite in establishing better employee engagement activities and business performance. While workers contribute to organizational development by increasing their skills, enterprises that invest in their human resources hope, in return, to keep their skills up-to-date and retain this qualified, top-performing workforce. Training programs are vital to an organization's success. Unfortunately, organizational leaders often look to training programs to help offset costs in an organization with reduced operational budgets (Kohn, 2009). This is despite the facts that training programs are vital to employee development and workplace productivity (Farooq and Khan, 2011). The observations from the current research clearly indicate that the employee engagement and employee motivation is altered as well, where the culture is not aligned with the developmental opportunities to the millennial employees. The management of SMEs should understand the need of millennial generation employees with regard the developmental opportunities or expectations and must be willing to adapt to changes for training programs when possible. Employee career planning and career management are the two approaches that lead to employee career development. Moreover, an organization that facilitates the learning of its members and continuously transforms itself remains competitive in the business environment. In such organizations, the role of supportive supervisors is of much importance as this has a strong impact on career development (Van der Sluis and Poell, 2003).

Implications

This particular research has made its managerial contributions at three-fold level. As it is stated, the study focused more into SMEs service sector in Malaysia. Henceforth, these research findings related to career development culture and training and development, highly beneficial the SMEs in the region. Though the contribution of SMEs to the Malaysian economy is phenomenal, seldom any attention has made an on how they would have better performance through individual and organizational-level outcomes of employee motivation, employee engagement and job performance level. The findings of this research in relations to employee motivation, employee engagement and job performance are crucial for their development and well-being of SMEs as a major agent of economic development, improvement, and employment. As it is envisaged the culture of organisation which facilitate better learning and development opportunities Therefore, the importance of effective human resource management practices has empirically been recognized. A number of researchers (Gould-Williams, 2003; Guest, et al., 2003; Longenecker and Fink, 2001; Senge, 2006; Shahzad, Bashir and Ramay, 2008; Sullivan, 1999; Swanson and Holton, 2001; Wright, Gardner and Moynihan, 2003) have found that HR practices positively affect employees as well as organizational performance. Seldom had any study focused on the human capital issues focusing its attention to career development culture and challenges of employees in SMEs. The findings of this research thus extended better managerial implications to the SMEs' top managers who are seeking to optimize employee motivation and employee engagement looking at the career oriented values encouragement and making provision of customised training and development opportunities to the employees. Finally, the findings from this research can assist policy-makers to design sound training and development programs and organisational development strategies in relation to the employee motivation, employee engagement and job performance of the SMEs.

Making provision of a career plan and career engagement success is very important in ensuring career development culture. To support career engagement, counsellors as well as consultants can help individuals find and maintain work that uses their skills, talents, and attributes. Counsellors as well as consultants can also advocate for lifelong career management by keeping challenge and capacity in a reasonable balance through taking on special projects or new positions to stay challenged, engaging in continuing education, or developing an effective support system in SMEs. Similarly, career counsellors can help employers support career engagement through special projects; cross training; transferring employees into different positions; in SMEs (Neault and Pickerell, 2011). It is particularly important to understand and address generational differences and tensions. Use metrics and benchmarking to segment your workforce in order to understand what millennials want and how these desires might be different from older workers. Ensure that age group can cut employee engagement results and consider how you might use predictive analysis to highlight potential retention issues. From the Human Resource Development perspective, it is encompassing activities that improve the performance of individuals and the organizations. The central notion is that Human Resource Development may include training and development, organizational development and career development. Training involves the fostering of learning and education activities are designed to improve the overall competence of an employee. Therefore, at its most basic, Human Resource Development increases workforce competence, skills development and quality, motivation, engagement, performance and development of the organization.

CONCLUSION

One of the major purposes of this research is to analyse how far the organization culture serves as a sense making and control mechanism that guides and shapes attitude and behaviour of employees and employers in the SME firms of, Malaysia. It tries to ascertain how far the career development culture and training and development expectation of employees of SMEs relates to employee motivation, engagement and job performance among millennial employees. The study explained direct relationship between dependent (employee motivation, engagement and job performance) and independent variables (career development culture and training and development culture) focused in this study. The study posed six research questions followed by six hypotheses. All the hypotheses posed are well supported by the findings from Malaysian SMEs. All the research questions are thus well addressed showing its importance in the SME context providing insight into a career oriented culture as well as the need of better training and development opportunities, to the millennial employees, in order to ensure better employee engagement and job performance. Importance of career oriented culture and organisational development opportunities are few factors SME HR managers have to consider for better employee performance and business performance.

REFERENCES

- Ababneh, R. (2013). Antecedents and outcomes of career development in Jordanian public sector. *Journal of Emerging Trends in Economics and Management Sciences*, 4(4), 417-426.
- Ahmad, H.N. & Seet, P. (2009). Dissecting behaviours associated with business failure: A qualitative study of SME owners in Malaysia and Australia. *Asian Social Science*, 5(9), 98-104.
- Anderson, J.C. & Gerbing, D.W. (1988). Structural equation modelling in practice: A review and recommended Two-Step Approach. *Psychological Bulletin*, 103(3), 411-423.
- SME Corporation. (2012). Annual Report, SME Corp. URL: http://www.smecorp.gov.my/index.php/en/resources/2015-12-21-11-07-06_sme-annual-report/book/5/Array. Accessed on 12th August 2016.
- Competitive Advantage: Jordanian Commercial Banks (Irbid District), an empirical study. *International Bulletin of Business Administration*, 10, 15-24.
- Beaver, G. & Jennings, P.L. (2001). Human resource development in small firms: the role of managerial competence. *The International Journal of Entrepreneurship and Innovation*, 2(2), 93-101.
- Bellou, V. (2010). Organizational Culture as a Predictor of Job Satisfaction: The Role of Gender and Age. *Career Development International*, 15(1), 4-19.
- Bhatiasevi, V. (2010). The race towards a knowledge based economy a comparative study between Malaysia and Thailand. *International Journal of Business and Management*, 114.
- CEDEFOP. (2008). *Social Partners and Sectoral Training Funds: Mobilising Resources*, Briefing Note, CEDEFOP, Thessaloniki.
- Chen, T.Y., Chang, P.L. & Yeh, C.W. (2004). A study of career needs, career development programs, job satisfaction and the turnover intentions of R&D personnel. *Career Development International*, 9(4), 424-437.
- Chin, W. (1998), Issues and Opinion on Structural Equation Modeling. *MIS Quarterly*, 2(1), 7 – 15.
- Chin, Y.W. (2010). The future of small and medium enterprises (SMEs) in Malaysia: Constraints and opportunities. <Http://www.20yearpoa.org/projectPapers/articles/2010-04-06/145.html>. Accessed on 5th of July 2017.
- Cureton, E.E. & Mulaik, S.A. (1975). The weighted varimax rotation and the promax rotation. *Psychometrika*, 40(2), 183-195.

- Dalrymple, B.G. (2004). *Ancient Earth, Ancient Skies*. Stanford: Stanford University Press.
- Devins, D., & Johnson, S. (2003). Training and development activities in SMEs: Some findings from an evaluation of the ESF Objective 4 Programme in Britain. *International Small Business Journal*, 21(2), pp. 205-18.
- Devins, D., Johnson, S. & Sutherland, J. (2004a). Different skills and their different effects on personal development: An investigation of European Social Fund Objective for financed training in SMEs in Britain. *Journal of European Industrial Training*, 28(1), 103–118.
- Ding, Y. & Li, G. (2010). Study on the management of intellectual capital. *International Journal of Business and Management*, 5(2), 213-216.
- Elliott, A.C. & Woodward, W.A. (2007). *Statistical Analysis Quick Reference Guidebook: With SPSS Examples*. Thousand Oaks, California: Sage Publications.
- ENSR, (2003). Cited in: Gubic, A. (2005). *New Opportunities for SMEs Founded by Cooperation, European Integration Studies, Miskolc*, 4(1), 25-36.
- E., Saru. (2007). Organisational learning and HRD: How appropriate are they for small firms? *Journal of European Industrial Training*, 31(1), pp.36-51.
- Falk R.F. & Miller, N.B. (1992). *A Primer for Soft Modelling*. Akron, Ohio: The University of Arkon.
- Farooq M., Khan M.A. (2011). *Impact of Training and Feedback on Employee Performance*. Goldstein IL.
- Field, A. (2009). *Discovering Statistics, Using SPSS*. London: Sage Publications Ltd.
- Geisser, S. (1974/75). The predictive sample re-use method with applications. *Journal of the American Statistical Association*, 70(350), 320-328.
- Goldenberg, M. (2006). *Employer Investment in Workplace Learning in Canada*. Ottawa, ON: Canadian Council on Learning.
- Gould-Williams, J. (2003). The importance of HR practices and workplace trust in achieving superior performance: A study of public sector organizations. *The International Journal of Human Resource Management*, Volume 14(1), 28-54.
- Guest, D.E., Michie, J., Conway, N. & Sheehan, M. (2003). Human resource management and corporate performance in the UK. *British Journal of Industrial Relations*. 41(2), 291-314.
- Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. & Tatham, RL (2006). *Multivariate Data Analysis*. Upper Saddle River, NJ: Prentice Hall.

- Hair, J.F., Hult, G.T., Ringle, C.M. & Sarstedt, M. (2013). *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM)*. Thousand Oaks, California: Sage Publications Ltd.
- Henseler, J. & Fassott, G. (2010). Testing Moderating Effects in PLS Path Models: An Illustration of Available Procedures,” in *Handbook of Partial Least Squares: Concepts, Methods and Applications*. Vinzi, V., Chin, W.W., Henseler, J. and Wang, H. Eds., Berlin: Springer.
- Hill, H. (2002). Old policy challenges for a new administration: SMEs in Indonesia. In Harvie, C. & Lee, B.C. (Eds.). *The Role of SMEs in National Economies in East Asia*. Singapore: Edward Elgar.
- Hurley, R. & Hult, G.T.M. (1998). Innovation, market orientation, and organizational learning: An integration and empirical examination. *Journal of Marketing*, 62(3), 42–54.
- Hurley, R.F. (2002). Putting people back into organizational learning. *Journal of Business and Industrial Marketing*, 17(4), 270–281.
- Joseph, K.E. & Dai, C. (2009). HRM practices and organizational performance: An empirical analysis. *International Journal of Business and Management*, 4(8), 117-127.
- Kane, B. & Palmer, I. (1995). Strategic HRM or managing employment relationship? *International Journal of Manpower*, 16(5), 6-21.
- Kerr, A. & McDougall, M. (1998). The small business of developing people. *International Small Business Journal*, 17(2), 65-74.
- Khalique, M., Hassan, I., Jamal, N.S. & Ageel, A. (2011). Challenges faced by the small and medium enterprises (SMEs) in Malaysia: An intellectual capital perspective. *International Journal of Current Research*, 33(6), 398.
- Kohn, S. L. (2009). *The Effects of Choice and Training Reputation on Training Effectiveness* (Doctoral dissertation). Available from ProQuest Dissertations and Thesis Database.
- Koopmans, L., Bernaards, C.M., Hildebrandt, V.H.B., De Vet. & Van der Beek, A.J. (2013). Development of an individual working performance questionnaire. *International Journal of Productivity and Performance Management*. 62(1), 6-28.
- Krejcie, R. & Morgan, D. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30, 607-610.
- Kuvaas, B. & Dysvik, A. (2009). Perceived investment in employee development, intrinsic motivation, and work performance. *Human Resource Management Journal*, 19, 217–236.

- Lange, T., Ottens, M. & Taylor, A. (2000). SMEs and barriers to skills development: A Scottish perspective. *Journal of European Industrial Training*, 24, 1, 5–11.
- Leitner, K.H. (2011). The effect of intellectual capital on product innovativeness in SMEs. *International Journal of Technology Management*, 53(1), 1-18.
- Longenecker, C.O. & Fink, L.S. (2001). Improving management performance in rapidly changing organizations. *Journal of Management Development*, 20(1), 7-19.
- McDonald, K.S. & Hite, L.M. (2005). Ethical issues in mentoring: The role of HRD. *Advances in Developing Human Resources*, 7(4), 569-582.
- Mohammad, K.M. (2012). What creates a successful SME: An investigation on entrepreneurship in Quebec. Cited in: RL: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.634.1753&rep=rep1&type=pdf>. Accessed on 5th October 2016.
- Neault, R.A. & Pickerell, D.A. (2011). Career engagement: Bridging career counselling and employee engagement. *Journal of Employment Counselling*, 48(4), 185-188.
- Nunnally, J. (1960). The place of statistics in psychology. *Educational and Psychological Measurement*, 20(4), 641-650.
- Omar, S.B.S., Arokiasamy, L. & Ismail, M. (2009). The background and challenges faced by the small medium enterprises: A human resource development perspective. *International Journal of business and management*, 4(10), 95-102.
- Portal Komuniti KTAK. (2006). Keusahawanan: PUNB perkenal Skim Usahawan Pemborong. Available: <http://www.idesa.net.my/modules/news/article.php?>
- Reiss, F. (2006). Why small business firm fail? Available: http://www.publishinggame.com/art_whysmallbusinessesfail.htm.
- Ringle, C.M., Sarstedt, M. & Straub, W.W. (2012). A critical look at the use of PLS-SEM in MIS Quarterly. *MIS Quarterly*, 36(1), 1-19.
- Rowden, R.W. (2002). The relationship between workplace learning and job satisfaction in U.S. small to midsize businesses. *Human Resource Development Quarterly*, 13(4), 407-425.
- Ruch, W. (2000, April). How to keep Gen X employees from becoming employees? *Training & Development*, 40-43.
- Saleh, A.S. & Ndubisi, N.O. (2006). *SME Development in Malaysia: Domestic and Global Challenges*.
- Schaufeli, W.B., Salanova, M., González-Romá, V. & Bakker, A.B (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3, 71-92.

- Sekaran, U. (2003). *Research Methods for Business: A Skill-Building Approach*. 4th ed. Singapore: John Wiley & Sons, Inc.
- Senge, P. (1990a). *The Fifth Discipline: The Art and Practice of the Learning Organization*. London: Century Business.
- Shahzad, K., Bashir, S. & Ramay, M.I. (2008). Impact of HR practices on the perceived performance of University teachers in Pakistan. *International Business Review*, 4(2), 110-123.
- Simonsen, P. (1997). *Promoting a Development Culture in Your Organization: Using Career Development as a Change Agent* (1st ed., Vol. 1). Palo Alto, California: Davies-Black Publishing.
- SME Annual Report. (2013/2014). Annual report. Cited in URL: <http://www.smecorp.gov.my/index/en/resources/2015-12-21-11-07-06/sme-annual-report>
- Sadler-Smith, E. (2004). Cognitive style and the management of small and medium-sized enterprises. *Organization Studies*, 25(2), 155–181.
- Stevens, B. (1999). Communicating ethical values: A study of employee perceptions. *Journal of Business Ethics*, 20, 113-120.
- Cromie, S. & O’Sullivan, S. (1999). Women as managers in family firms. *Women in Management Review*, 14(3), 76–88.
- Swanson, R.A. & Holton, E.F. (2001). *Foundations of Human Resource Development*. San Francisco, CA.: Berrett-Koehler.
- Tabachnick, B.G. & Fidell, L.S. (2007). *Using Multivariate Statistics* (2nd ed.). Boston: Pearson.
- Van der Sluis, L.E.C. & Poell, R.F. (2003). The impact on career development of learning opportunities and learning behavior at work. *Human Resource Development Quarterly*, 14(20), 159-79.
- Veskaisri, K., Chan, P. & Pollard, D. (2007). Relationship between strategic planning and SME success: Empirical evidence from Thailand. *International DSI/Asia and Pacific DSI*, 13.
- Wiklund, J. & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing*, 20, 71-91.
- Wright, P.M., Gardner, T.M. & Moynihan, L.M. (2003). The impact of HR practices on the performance of business units. *Human Resource Management Journal*, 13(3), 21-36.