

**RESEARCH ARTICLE**

**IMPACT OF CAREER DEVELOPMENT OPPORTUNITIES ON EMPLOYEE  
 RETENTION : A STUDY AMONG THE SELECTED FINANCIAL INSTITUTIONS IN  
 LUCENA CITY FROM THE PERSPECTIVE OF HUMAN RESOURCE PRACTITIONERS**

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**ABSTRACT**

This research delves into exploring the impact of career development opportunities pathways and strategies implement by the management on employee retention within selected financial institutions in Lucena City, Quezon Province, from the perspective of Human Resource (HR) practitioners. Using a quantitative-descriptive research design, the study surveyed 44 HR practitioners from large banks, medium banks, and microfinance institutions, employing stratified random sampling to ensure representative insights. Preliminary data using weighted mean and percentage analysis suggests a significant positive correlation amongst the availability of career development opportunities and employee retention. For instance, 82% of respondents agreed that mentorship programs help retain top talent with a general and combined weighted mean of 3.46). In addition, the study also highlights challenges faced by HR practitioners, including insufficient resources (71%), lack of managerial support (66%), and difficulty aligning development programs with organizational goals (63%). The research therefore concludes that career development is a critical driver in retaining talents in the financial sector. The findings emphasize the implication of structured and well-resourced programs as lack of resources may lead to failure in term if execution of these programs. Additionally, a clear advancement pathway shall also be implemented to ensure that employees are aware to the availability of promotion in the long run.

**KEYWORDS**

Employee retention, career development, human resource management, financial institution

**1. INTRODUCTION**

Many studies on the field of human resource have identified employee retention as crucial to organizational competitiveness through the implementation of career development programs for employees (Thwin, 2023). This is because, employees these days valued long term jobs with advancement opportunity than short term ones. While businesses nowadays are giving thorough focus on their employees' professional experience in providing the best service possible to gain competitive advantage from their respective target market, employees on the other hand give thorough consideration to the level of compensation in exchange to their professional experience from their previous jobs, from gaining another degree related to the field, being certified by certain recognized certifying organizations and completion of a post graduate degrees which are otherwise interconnected to their career and career endeavor. Employees are more focused on their compensation level thus; they prefer working for a company that can provide them assististance to better advance in their respective field of expertise. While compensation is essential, it is to be noted that for salary and compensation increase, a career advancement may be required. Further, human resources are one of the organization's most valuable strenght, and they shall not in any way be prejudiced during times of economic volatility, crisis and instability.

The main objectives that this research seeks to answer are the impact and significance of career development paths on increasing employee retention rate assessing variables related to the subject matter which entails mentorship programs, training initiatives, development programs, upskilling pathways and succession plan approaches. This paper will significantly provide insights and literatures to support the field of human

resource management in retaining talents in their efforts to increase employee retention and engagement. While it is clear that there are various limitations with regard to the findings, the researcher believes that the results derived will be helpful in assessing organizational goals. Therefore, recommendations for future research were also noted.


**2. LITERATURE REVIEW**

This section deals with the related literature and studies that will further assess and suggest insights with respect to the research questions for the researcher to draw conclusions, relevant recommendations, and suggest potential research gaps to be addressed in the future researches.

Career development encapsulates several factors with respect to professional development. This ranges from designing strategic goals and programs up to the identification of skill gaps and implementation afterwards. While the main objective of career development is to retain talents, in the effort to support employee's growth and career path, human resource management on the other hand, plays a significant role in identifying relevant training needs as HRM is more focused on the employees.

**2.1 Lateral and Vertical Career Advancement**

In identifying career path and proper advancement, either a lateral or a vertical career advancement could be employed. In today's industry setup, career progression is getting harder to achieve. While some employees preferably choose to stick with vertical career paths, others are expanding their horizons by exploring opportunities in other areas of the industry,

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also known as horizontal growth. Horizontal development refers to building new skills, knowledge, and competencies without changing how a person thinks. It expands what someone knows or can do, such as learning tools, techniques, or procedures, but does not alter their mindset or level of thinking. Meaning, you are exploring a job within your employment level ensuring full familiarity. This can be done through job rotation (Schwartz and Schreiber, 2024). Vertical advancement on the other hand, is the standard upward career approach within a specific field of expertise and business sector. Employees progress through promotions to higher positions with greater responsibility, authority, and typically accompanied pay increase. Through vertical advancement, employees can move from entry-level position, individual contributor positions, rank-and-file position to managerial and supervisory roles, taking on new responsibilities and decision-making power (Somanathan, 2024).

In most industries, career development programs and approaches provides either a way of retaining or motivating individuals and certain unit of people. Regardless of industry or market, career advancement is critical factors for any organization to take into account. The absence of career development pathways has a direct implication to keep skilled talents. The absence of career progression initiatives in any organization results to attrition (Lartey, 2021). Increased attrition rates significantly impacts organization's overall costs and directly affects profitability. Moreover, a drastical turnover rate increase indicates poor company branding (Spain and Groysberg 2016; Ochurub et al., 2022). Accordingly, organizations with lower turnover rates have a significant advantage not only on organizational success but in terms of branding and overall competitiveness. Being evident that employee turnover has an impact on organizational performance and profitability, and businesses must understand why employees stay or leave, it is therefore crucial for an organizations to concentrate and prioritize a combination of approaches and strategic management plans to mitigate the risk of employees from leaving. Hence, it is crucial that the management invest efforts to create a work environment that values employees regardless of the tenure, while ensuring that the organization retains employees with the desired skills in order to meet business goals. Despite various empirical evidences that career planning is a shared responsibility, employees likewise play a significant role in their own advancement. Expertise and familiarity with work will significantly help employees advance in their chosen field.

## 2.2 Retention and career development into perspective

As defined, career advancement pertains to a series of shift in an individual's career path as well as sequential changes in one's professional career life that are indicative of advancement or development (Spain and Groysberg, 2016) and cited by (Ochurub et al., 2022). Nevertheless, it should be taken into account that not all change portrays developmental mechanism or indicates progress and drastic improvement. These changes are somehow characterized by ascension up the proverbial professional career ladder, improved compensation administration, increased freewill in pursuing interests and consequently secures advancement, enriched recognition and respect from colleagues. Professional development in most organizations is a collaborative initiatives involving both employees and management with the intervention of the human resource department. Where an organization can assist employees in their career development, the employer cannot do so without the individual's own interests and the same is true in reverse (Nkomo, Thwala and Aigbavboa, 2020). Additionally, employee retention shall be part of the policies and strategies that organizations use to keep valuable talents from leaving the company (Osborne and Hammoud, 2017). Employee retention, entails actions taken to persuade people to stay in an organization for an extended period of time (Grancea, 2018).

Hence, providing strategies for career development is vital for retaining skilled employees in the finance industry (PwC, 2021). Organizations investing in their people lower turnover rates and increased engagement.

## 2.3 The relationship between training and development and career development

In improving employee's performance in terms of knowledge, skills and attitude (KSA) could be attributed to employee development, which relative improve employees' working skills.

Training programs mostly focus on improving lacking competencies related to the employee's current and future job in preparation to future career development comprises both training and development (Owusu et al., 2021 as cited by, Nkomo, Thwala and Aigbavboa, 2020). Merging

specific on-the-job training, employee leadership training, and a comprehensive career development programs results to a high level of strategic thinking and planning and such an overarching plan cannot be expected from the employee. Thus, it takes effective implementation and management intervention to recognize what training are required for employees to grow in their current positions and fit within the organizational hierarchy while also keeping track of the organizational vision. This can however be identified through the implementation of training needs analysis. While this may necessitate some investment on the part of the organization incurring additional expenses, understanding and supporting career development has an impact on the organization's ability to attract and retain high-performing employees, which can lead to an organization-wide competitive advantage.

Hence, training and development shall be implemented in a logical and organized method with a focus and emphasis in developing workers with attributes, skills, and knowledge to assess them to better perform their respective tasks.

## 2.4 Employee Retention in Finance Industry

In the financial sector being part of the service industry, what fuels growth is a group of committed and motivated employees aiming to serve their clients the best way possible and making the brand credible. Nevertheless, the finance sector faces significant resistance in managing its talent. A survey conducted by Gallup concludes that 23% of employees feel engaged at work even in the presence of career development initiatives. This findings drastically indicate poor engagement thereby reducing work quality. Although a remarkable increased in percentage has been noted, not even 1 in every 4 workers is engaged, so there is a clear and definite room for improvement.

As every other industry, even the banking sector is dealing with challenges to manage their talent. Quantum Workplace research states that only 50 percent of employees in the banking sector are highly engaged and 35 percent are at risk of shifting to other job. Attracting, retaining and engaging skilled employees isn't an easy experience for employers due to low unemployment rates currently experienced in the job market. Since employees are having more options to consider between organizations and they can choose one that meets their best needs, banking industry leaders are struggling branding themselves as an employer of choice to both frontline and corporate employees. First steps toward employee and business success in the banking industry as leaders is prioritizing employee engagement. Keep up to date your retention strategy for the employees using the latest methods to boost the morale and retain top talent. When creating the strategies in improving the employee retention analyze the specific industry you're operating. Not all methods work well in different organizations for example larger financial organizations such as corporate banks need specific approach, different from small credit unions.

## 3. METHODS

This chapter provides a description of the research method and design, population and sampling, data gathering and procedures of the study.

This study adopted a quantitative survey strategy, employing a descriptive and causal design, and utilized interviews for preliminary problem identification in the locale to collect and analyze relevant data and develop results. The quantitative method involves the collection and analysis of numerical data to address scientific research questions. It is used to summarize, average, identify patterns, make predictions, test causal associations, and generalize results to broader populations. This approach allows the quantification of sample sizes, determination of population strengths, priorities of order, and evaluation of the effectiveness of the presented theories.

A quantitative method was chosen for the reason that surveys provided responses to questions through numerical equivalents, which are typically employed to measure data using statistical analysis. Quantitative research uses figures to assess and study responses to specific questions and statements. Additionally, the descriptive quantitative research method aims to answer the question, "What is X?" by gathering extensive information about the respondents' experiences, beliefs, and attitudes through the maximization of surveys presented usually using a likert scale. This is in contrast to some experimental research designs, descriptive quantitative research does not manipulate the primary area of interest under investigation. Instead, it focuses on describing and understanding the correlation between variables. This study was conducted in Lucena City, a prominent urban center in Quezon Province in the Philippines being the capital of the said province, Lucena City is known for its vibrant private

sector and diverse economic activities. Relatively, Lucena City serves as a hub for various industries, including but not limited to manufacturing, retail, and services, making it an ideal setting for examining employee turnover in the private sector. Recognized as the center of trade, the city is a primary location where large financial institutions operate and extend their financial services. The city likewise features a range of enterprises, from small to large, providing a comprehensive data for studying Human Resource practices and employee dynamics. Additionally, Lucena City's strategic location and accessibility to key markets in the region underscore its significance for business operations and workforce management.

The study limits its targeted respondents to Human Resource practitioners from private financial companies within this locale, ensuring a representative sample that accurately reflects the local economic environment and organizational practices. By focusing on Lucena City, the research offered valuable insights into the factors driving employee retention and aimed to draw strategic human resource management plans to assess not only the respondents but the finance industry throughout the region.

#### 4. THE DATA ANALYSIS

This section presents the perceptions of HR practitioners regarding the availability and impact of career development opportunities (mentorship, training, promotion pathways, and succession planning) on employee retention. Table 1 shows the corresponding adjectival rating to interpret the general weighted mean.

Table 1: Likert Scale Adjectival Rate		
Points	Weight/Scale	Adjectival Rate (AR)
1	1.00-1.75	Strongly Disagree (SD)
2	1.76-2.50	Disagree (D)
3	2.51-3.25	Agree (A)
4	3.26-4.00	Strongly Agree (SA)

Mentoring serves as a vital tool for fostering both personal and professional growth, achieved through the transfer of knowledge, guidance, and support from experienced mentors to mentees. In organizational settings, mentoring provides avenues for meaningful connections that promote learning, skill development, and stronger interpersonal relationships among colleagues (Jamaludin et al., 2023; Kumar et al., 2024). By nurturing individual potential, mentoring contributes not only to employee growth but also to enhanced creativity, productivity, and overall organizational performance.

In an article, it has been reiterated that mentoring programs encourage employees to build connections on both professional and personal levels, leading to higher levels of engagement (Schnieders, 2025). Structured mentorship initiatives create platforms for open communication, help refine skills, close capability gaps, and provide a strong sense of support for employees. As presented in Table 2, mentoring programs play a significant role in career development, increasing employee engagement, reducing attrition, and improving workplace satisfaction and retention. A general weighted average of 3.38 indicates that most respondents agree these programs contribute to professional development, career advancement, and the pursuit of long-term goals within their organizations.

Table 2: Perception on Mentorship Programs		
Statement:	WM	Adjectival Rate (AR)
S1	3.59	(SA)
S2	3.59	(SA)
S3	3.41	(SA)
S4	3.27	(SA)
S5	3.23	(A)
Average	3.38	Strongly Agree (SA)

Table 3 on the other hand presents the agreement of human resource practitioners on the impact and relevance of training and development initiative on employee retention. Society for Human Resource Management provide insights on how training and development attract and retain talents (Rockwood, 2022). Learning and development (L and D) programs can be an appealing benefit. In fact, skills training is one of the top perks younger workers look for in a new job, according to a 2021

Gallup survey conducted on behalf of Amazon. In that survey, 66 percent of workers ages 18-24 ranked learning new skills as the third-most important perk when evaluating new job opportunities, behind only health insurance and disability benefits. While training and development is undeniably important, A common mistake most companies make is that they start developing a training program without considering the skills gap therefore, conducting a training needs analysis (TNA) must be taken into account first before implementation of any training initiatives. This data highlights the significant impact of training and development initiatives helps retaining talents. With a general weighted average of 3.51, majority of the human resource practitioners agreed.

Table 3: Perception on Internal Training and Development Programs		
Statement:	WM	Adjectival Rate (AR)
S6	3.55	(SA)
S7	3.50	(SA)
S8	3.43	(SA)
S9	3.57	(SA)
S10	3.50	(SA)
Average	3.51	Strongly Agree (SA)

Taking into consideration the current economic standards, employers these days are focused on attempting to retain top talent. While salary structure and wage increases are some tactics that seem to be effective, for these approaches would not be always enough. Upskilling in a manner, benefits both the employee and the employer, in which case the employee is challenged and given a path to professional growth, and the employer on the other hand diversifies these skills, making the manpower more agile and engaged (Kern, 2023). Table 4 presents the findings with respect to promotion and upskilling pathways as key initiatives for employee retention highlighting a strong agreement by human resource practitioners. This therefore proves that when an organization start looking and leaving room for learning velocity in both new hires and old employees, they are giving them a reason to stay with the company. This can evidently improve employee retention by investing in their future and showing them that the organization want to see them grow professionally.

Table 4: Perception on Promotion and Upskilling Pathways		
Statement:	WM	Adjectival Rate (AR)
S11	3.52	(SA)
S12	3.55	(SA)
S13	3.48	(SA)
S14	3.50	(SA)
S15	3.41	(SA)
Average	3.49	Strongly Agree (SA)

Organizations nowadays over various countries are facing a talent crisis. In the current business practices, this has put pressure on the Human Resource Personnel to attract, develop and ensure that the best talent will be retained. A recent study revealed that there is a significant connection and linked between Succession Planning and Employee Retention (Amahwa and Egezza, 2021). It is notably clear therefore that, succession planning should always be one of the top considerations as a key component of strategic human resource management plan for enhanced employee retention. Many organizations on the other hand, may consider succession planning as core HR practices if they are to retain their talents. Supported by these key findings, table 5 further affirm that succession planning will be a great way to retain employees with a general weighted average of 3.45 emphasizing strong and significant agreement from the target HR professionals.

Table 5: Perception on Succession Planning		
Statement:	WM	Adjectival Rate (AR)
S16	3.41	(SA)
S17	3.43	(SA)
S18	3.43	(SA)
S19	3.50	(SA)
S20	3.48	(SA)
Average	3.45	Strongly Agree (SA)

Findings with respect to the strong relationships of career advancement to retention which reveals that organizational career development planning is significantly relate to employee retention, training and

development, and career ladders, all of which have an effect on employee engagement and overall morale (Twin, 2023). This subsequently support the development of organizational effectiveness. In additions, Individual career planning will affect employee satisfaction, causing employees to experience varying levels of satisfaction. In addition, aiming for professional advancement is a crucial driver for employees, creating a positive perception between employees and the management (Aziedjo, 2024). Supported by empirical evidence, the assertion that training and development plays a crucial role in the career development process, with a constructive approach exerting more emphasis the active involvement of every employees within the organization. Table 6 revealed the perceived effectiveness of the respondents to career development initiatives.

**Table 6: Perceived Effectiveness of Career Development Initiatives**

Statement:	WM	Adjectival Rate (AR)
S21	3.52	(SA)
S22	3.41	(SA)
S23	3.41	(SA)
S24	3.50	(SA)
S25	3.45	(SA)
Average	3.46	Strongly Agree (SA)

While the importance of training is undoubtedly recognized, organizations frequently encounter resistance that impede the efficacy of their training programs. One of the primary reason that hinder its implementation is the restriction of budget allocations, which therefore limits the availability of resources, tools, and intervention of professional guidance. Companies treats training costs as a literal expenses rather than investment in the long run such as additional expenditures related with the acquisition of training materials, facility rents, and the logistical demands are also present (Jain and Moreno, 2015, as cited in Lee, 2023). Table 7 shows respondents' agreement with respect to the challenges that hinders implementation of career development programs.

**Table 7: Challenges in Implementing Career Development Programs**

Statement:	WM	Adjectival Rate (AR)
S26	2.84	(A)
S27	3.07	(A)
S28	3.14	(A)
S29	3.00	(A)
S30	2.93	(A)
Average	3.00	Agree (A)

**5. CONCLUSION AND RECOMMENDATION**

While employee attrition cannot be totally eliminated, one mitigating approach is for an organization to engage on various initiatives that will make employees feel job security. This in return will result in a drastic change of behavior, motivation and engagement. Through the finding derived from responses, the recommendations draw is to effectively design a comprehensive long-term career path for employees to ensure that the employees will feel valued. The researcher therefore recommends a more comprehensive research focusing on the factors of employee turnover on a broader perspective as this research only focused

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