

# Employee Training and Retention: A Correlation Study among the Employees of Engineering Industry in Coimbatore

R. Jayanthi and Dharmaraj Arumugam

***Abstract---** Today's competitive environment requires organizations to equip their employees with adequate skills and knowledge to combat the situation. Employee retention and turnover are found to be the challenging task of an organization. The organizations are striving to find strategies to improve retention and reduce turnover of their employees. Training and development are important functions which may have a significant influence on the outcomes of the organizations. Thus, a study was carried out to understand the association between employee training and their retention.*

***Keywords---** Training, Retention, Engineering.*

---

## I. INTRODUCTION

The success of any organization depends on its employee's performance. The employee is a vital factor in the organizational growth and development, rendering his wholehearted cooperation and support. Quality employees who are enriched with the required knowledge and skills are considered to be the assets of any organization. At the same time, employee turnover is a costly affair for the organization resulting in loss of efficient manpower, as replacing the employee through recruitment and training is costly and time-consuming. Employee turnover may also influence the organizational performance and other employee's morale. Thus, retaining the employee is one of the most critical goals of an organization in this competitive environment. There are various factors which influence employee retention like opportunity in the market, culture of the organization, monetary concerns, etc. Career development is one such factor which strongly influences employee retention and offers job satisfaction. Continuous updating and scope for development through training help the employees fulfill their career-related expectations.

Training can be defined as a planned and systematic activity through which the employees' skills, knowledge and attitude can be improved. It can also create a favorable learning environment to enhance the individual's knowledge, skills and attitudes. It helps the organization to equip the employees with essential skills to improve their performance to meet the goals of the organization. Organizations are more concerned with providing adequate training to their employees to attain competitive advantage to manage the competitive environment. At the same time organizations are wary of providing general training, as it may encourage the employees to shift to other organizations. Hence, only specialized training that is more relevant to the specific tasks the employees perform and less useful to a rival organization is offered.

---

*R. Jayanthi, Ph.D Research Scholar, Department of Management, Karpagam Academy of Higher Education, Coimbatore.  
Dharmaraj Arumugam, Associate Professor, Department of Commerce and Management, Karpagam Academy of Higher Education, Coimbatore.*

Effective training programmes help the employees enhance their knowledge and skills which increase their job satisfaction and organizational commitment, and thus employees tend to stay in the organization. Training is treated as an investment by the organization in the employees personal and career development by means of creating strong obligations to repay the same through their performance. In this context, training plays a significant role in retaining the employees.

## **II. REVIEW OF LITERATURE**

Ahmad, Umer (2013) has conducted a study with a sample of 100 employees from a private organization using convenience sampling. The results reveal that training and retention are positively related. McCabe and Thomas N Garavan (2008) have stated that trainings can develop the skills of the employees and help them enhance their performance at work. This induces the commitment level of the employees and result in retention of employees. Aldamoe et al., (2012) have stated that training results in increased commitment, retention and satisfaction of the employees. The retention policies of the organization should not only focus on the compensation offered to the employees but also on the skill up-gradation which is also one of the significant factors of employee retention. Al-Sharafi et al., (2018) reveal that a significant positive relationship is found among the employees' training and retention. They also state that the relationship between employees' training and retention is mediated through job satisfaction. Letchmaich and Thomas (2017) confirm that organizational culture, work environment, meaningful work, career development and training have a positive and significant influence on employee retention. George (2015) has conducted a study on retention of employees. The results reveal that when considering other factors training and development are highly correlated with employee retention.

## **METHODOLOGY**

The nature of the research design is descriptive and analytical. The employees of a private engineering firm serve as the universe of the study. There were 63 serving managerial employees, of whom a sample of 50 was randomly selected based on Robert V.Krejcie and Darley W.Morgen. Questionnaires were used to collect data which include 10 demographic variables, perception on training scale (10 items) propounded by Newman et al., (2011) – and modified and retention scale propounded by Eva Kyndt et al., 2009 (11 items). The data were analyzed using the statistical tools namely Standard deviation, Mean, t-test, ANOVA, correlation and regression. The ethical considerations are taken into account during the process of the current article.

## **III. STUDY OBJECTIVES**

1. To know the demographic profile of the employees.
2. To measure the perception on training and level of employee retention
3. To study the difference in the level of perception on training and employee retention based on the demographic variables.
4. To examine the influence of training perception on employee retention.
5. To suggest appropriate strategies to retain employees.

#### IV. ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile

Demographic Variables	Attributes	Frequency	Percentage
Age	25 and below	9	18.0
	26 to 30	14	28.0
	31 to 35	9	18.0
	36 -40	10	20.0
		6	12.0
Gender	Male	42	84.0
	Female	8	16.0
Marital Status	Married	31	62.0
	Unmarried	19	38.0
Place of Living	Urban	16	32.0
	Semi-Urban	16	32.0
	Rural	18	36.0
Family type	Joint	24	48.0
	Nuclear	26	52.0
Educational Qualification	Hr. Secondary	3	6.0
	Graduation	17	34.0
	Post Graduation	20	40.0
	Diploma	10	20.0
Experience	Below 5	13	26.0
	6-10	16	32.0
	11-15	11	22.0
	16-20	2	4.0
	21 and above	8	16.0
Monthly Income	Below 15000	10	20.0
	15001-20000	14	28.0
	20001-25000	11	22.0
	25001 and above	15	30.0
No. of Trainings Attended	1-5	37	74.0
	6-10	8	16.0
	11 and above	5	10.0
Perception on Training	Very High (46-50)	9	18.0
	High (42-45)	13	26.0
	Moderate (38-41)	18	36.0
	Low (24-37)	10	20.0
Retention attitude	Very High (45-55)	10	20.0
	High (40-44)	13	26.0
	Moderate (35-39)	18	36.0
	Low (23-34)	9	18.0

The above table depicts that 28% are aged between 26-30 years, 84% constitute males, 62% are married, 36% dwell in rural area, 52% belong to nuclear family, 40% have PG degree, 32% have experience between 6-10 years and 30% have a monthly income of Rs. 25,000 and above, and a majority of them have attended 1-5 training programmes.

The table also reveals that, 36% had moderate perception towards the training, 26% high perception, 20% low perception and 18% very high perception.

The table also reveals that, 36% have moderate level of retention attitude, 26% high level, 20% very high level and 18% low level of retention attitude.

Table 2: Significance Test for Perception on Training based on Demographic Variables

Variables	Value	Sig.	Result
Age	ANOVA = 1.026	P- greater than 0.05	NS
Gender	t-test = 2.672	P-lesser than 0.05	*
Marital Status	t-test = .602	P-greater than 0.05	NS
Place of Living	ANOVA = 4.129	P-lesser than 0.05	**
Family Type	t-test= 2.423	P-lesser than 0.05	S
Edu. Qualification	ANOVA = 1.901	P-greater than 0.05	NS
Experience	ANOVA = 1.079	P-greater than 0.05	NS
Income	ANOVA = 2.727	P-lesser than 0.05	*
Training Attended	ANOVA = 3.194	P-lesser than 0.05	**

\* Significant 5%

\*\* Significant 1%

NS-Not- Significant

The above table depicts that perception on training differs with gender, males have high perception towards training. The results also reveal that perception on training differs with respect to place of living, i.e. those who reside in urban areas have high perception on training. The results reveal that perception on training differs with respect to family type, i.e., respondents belonging to the nuclear family have high perception on training. The results also depicts that those who earn between Rs. 20,000 to 25,000 have high perception on training than those earning more or less. The results show that those who have attended 6-10 training programmes have better perception on training than others.

Table 3: Significance Test for Employee retention based on Demographic Variables

Variables	Value	Sig.	Result
Age	ANOVA =.755	P-greater than 0.05	NS
Gender	t-test =.580	P-greater than 0.05	NS
Marital Status	t-test =1.566	P-greater than 0.05	NS
Place of living	ANOVA =1.543	P-greater than 0.05	NS
Family type	t-test =1.403	P-greater than 0.05	NS
Edu. Qualification	ANOVA =1.312	P-greater than 0.05	NS
Experience	ANOVA =3.312	P-lesser than 0.01	*
Income	ANOVA =.650	P-greater than 0.05	NS
Training Attended	ANOVA =0.682	P-greater than 0.05	NS

\* Significant 5%

NS- Not Significant

From the above table it is clear that employee retention attitude differs with respect to the experience of the respondents. It is evident that employees with higher experience have higher retention attitude than those with less experience. The table also reveals that age, gender, marital status, place of living, family type, educational qualification, income and number of training programmes attended do not influence the employee retention attitude.

Table 4: Correlation between Perception on Training and Retention

		Perception on Training	Retention
Perception on Training	Correlation Value	1	.491
	Significance		.042
	N	50	50
Retention	Correlation Value	.491	1
	Significance	.042	
	N	50	50

The table depicts a positive relationship between employees training perception and retention. It concludes that higher perception leads to higher retention attitude and vice versa.

**Determining Employee Retention by Perception on Training using Regression**

Table 5: Model

Model	R	R-Square	Adjusted-R-Square	Std.-Error
1	.491	.241	.225	4.81330

Table 6: Analysis of Variance

Model.		Sum-of-Squares	df	Mean-Square	F.	Sig
1	Regression	352.661	1	352.661	15.222	.000
	Residual	1112.059	48	23.168		
	Total	1464.720	49			

Table 7: Coefficient

Model.		Unstandardized Coefficient		Standardized Coefficients	t	Sig
1	(Constant)	15.079	6.210		2.428	.019
	Perception on Training	.607	.155	.491	3.902	.000

From the above table it is clear that 24.1 % variation in retention is accounted for by perception on training of the respondents. The ANOVA value depicts that the above model is statistically significant. The table reveals that perception on training (beta=0.288) significantly influences the level of retention attitude of the respondents.

**V. SUGGESTIONS**

Based on the findings the study suggests the following to improve the retention attitude of the respondents.

The findings reveal that training influences the retention attitude of the respondents. Hence, an adequate number of training programmes (not in terms of quantity but quality) have to be conducted for the employees to enhance

their skills and knowledge in connections with their tasks. This will increase their value and worth in the market, which in turn may help them have security of job. This feeling makes them continue in the job as a mark of gratitude for the same and stay committed to their jobs. As employees are more concerned about their career growth and development, the training programmes conducted must be specific rather than generic. Specific task-oriented training programmes give them satisfaction, as it helps them achieve career advancement in future. The youngsters who have joined recently must be provided the opportunity for growth through relevant training programmes as their level of retention is comparatively low.

## VI. CONCLUSION

Retention is a significant aspect that strongly affects the growth and development of the organization. Training helps the employees to fulfill their expectations and increase their value. Thus, understanding the association between training perception and retention becomes imperative. The present study concludes that type of family, place of living and gender, income and training attended do influence the perception on training. The study also concludes that experience alone influence the retention attitude of the respondents. Based on the results the present study reveals that perception on training influence the retention level of the employees.

## REFERENCES

- [1] Al-sharafi, Hamed & Mat, Ezani & Shah, Syed (2018) The Effect of Training and Career Development on Employees Retention-A Study on the Telecommunication Organizations in Yemen. *The Journal of Social Sciences Research*. 10.32861/jssr.spi2.420.430.
- [2] Letchmiah, L. and Thomas, A. (2017) Retention of high-potential employees in a development finance company. *SA Journal of Human Resource Management*, 15.
- [3] George, C (2015) Retaining professional workers: what makes them stay? *Employee Relations*, 37(1): 102–21.
- [4] Ahmad, Umer (2013) Impact of Training on Employee Retention. Posted on July 2014, retrieved on february-2018 from <https://www.researchgate.net/publication/263808540>
- [5] Aldamoe, F. et al., (2012) The Mediating Effect of HRM Outcomes (employee retention) on the Relationship between HRM Practices and Organizational Performance. *International Journal of Human Resource Studies*, 2(1), 2162-3058.
- [6] McCabe, T. & Garavan, T., (2008) A study of the drivers of commitment amongst nurses: The salience of training, development and career issues. *Journal of European Industrial Training*, 32(7), 528-568.
- [7] Dharmaraj, A & Mohammed Sulaiman, (2015) I, Opinion on Potential Appraisal for Managerial and Non-managerial Cadre in Malabar Cements Limited, Palakkad, *International Scientific Journal on Science Engineering & Technology*, Vol. 18, Issue. 8, Pp. 265-271, 2015.
- [8] Mohan, A.K. L., and Dharmaraj, A. (2015). Training – An Imperative HR Practice in Hotel Industry, *International Journal of Physical and Social Sciences*, 5(12), 96-103.
- [9] Sulaiman, Mohammed & Dharmaraj, A, Feasibility of Potential Appraisal for Managerial Employees in Selected PSUs in the State of Kerala, *International Journal of Human Resource Management*, Vol. 16, Issue. 9, Pp. 513-519, 2016
- [10] Ajeet Kumar Lal M. and Dharmaraj A. (2016). A study on training and competency development Human Resource Practices in Hotel Industry, *Man in India*, 96, 9, p.3071-3077.
- [11] Mohan, A. K. L., & Arumugam, D. (2016). A Study on evaluation of Human Resource Practices in Hotel Industry with special reference to selected Hotels in Chennai City. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 6(4), 268-273.
- [12] Dharmaraj, A & Jayanthi, R, The Effectiveness of Training and Development Programme for the retention of employees in SMEs with reference to Coimbatore, *Researcher Explorer*, Vol. 4, Issue. 13, Pp. 67-72, 2016

- [13] Kalpana G & Dharmaraj A, “Relationship between the job involvement and the organizational effectiveness: a study with reference to the private sector Banks in Tirupur”, *International Journal of Science Technology & Management*, Vol.6, No.4, pp.371-376.
- [14] Loganathan, C., & Dharmaraj, A. (2017). A Study on Impact of HRM Practices and Policies on Employee's Organisational Commitment in Textile Spinning Mills in Tamil Nadu, India. *Indian Journal of Science and Technology*, 10(15).
- [15] Bindi, KR & Dharmaraj, A, Quality of Work Life and Employee Performance in Academia, *International Journal of Research in Arts and Science*, Vol. 3, Issue. Special Issue, Pp. 29-32, 2017
- [16] Loganathan C & Dharmaraj, A.(2017) “A Study on Effect of Human Resource Practices on the Performance of Textile Processing Units in Tamil Nadu”, *Journal of Advanced Research in Dynamical and Control Systems*, Vol.7, (2017), pp.44-53.
- [17] Kalpana, G & Dharmaraj, A,(2018) Influence of demographic variables on job involvement of employees: a study in private banks in Tirupur, *International Journal of Engineering & Technology*, Vol. 7, Issue. 1.1, Pp. 112-115, 2018.