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Training Practice, a Perspective of Employee Retention in Firms

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Abstract
The rate of employee turnover can affect the performance of an organization and therefore employee retention is considered of utmost importance globally. Hence, this study sort to investigate the influence of training practices on performance of employees’ retention in firms. The study was conducted using survey design to establish the relationship between variables. The target population was 2940 employees of beverage firms in Kenya and the sample size was 352 employees which was calculated using Taro Yamane’s formula. The study adopted structured questionnaires to get answers of the research questions. Questionnaires were used to collect data and later on analysed using descriptive statistics and presented in frequency tables. It was established that training showed a positive correlation with retention of employees in beverage processing firms. The study recommended that beverage processing firms should involve employees to participate in decision making in order to allow them identify areas they need to be trained. Lastly, the study findings would be of great benefit to the beverage processing firms, academicians, researchers and policy makers.

Introduction
The rate of employee turnover affects the performance of an organization and therefore employee retention is considered of utmost importance globally (Ayodo et al. 2014). In today’s competitive global market the only strategy for organizations to improve workforce productivity radically and enhance retention is to seek to optimize their workforce through comprehensive training and development programs. Low turnover ensures that organization is retaining their competent employees by providing them superior environment, which increases the performance of individual employee Ayodo et al. (2014, as cited in Hassan et. al 2013). In the face of restructuring, organizations in a bid to remain in business and still be effective in their ventures managers need to maximize on their strategic resources by carefully isolating for retention the best-trained, experienced, disciplined,
productive and effective employees to sustain a competitive advantage and differentiate themselves from their competitors (Ayodo et al., 2014). Employee retention is a key factor in an organizations’ success (Lyria, Namusonge & Karanja, 2014). However, nowadays many organizations globally find it difficult to retention their employees and this has been occasioned by globalization mobility of highly skilled employees (Ng’ethe, Iravo & Namusonge, 2012). Many scholars are in agreement that employees will leave companies in search of better payments packages, better career and development opportunities and job satisfaction among other factors (Shen & Hall, 2009). Employee turnover can result in interruptions, increased replacement and recruitment costs, loss of efficiency, incomplete projects, customer dissatisfaction, scheduling difficulties and the depletion of the company’s intellectual capital (Kreisman, 2002). In United Kingdom a survey of London health service staff showed that poor working conditions and lack of better facilities were top on the list of factors affecting retention while compensation ranked fourth (Trust, 2005). In Kenya, (Messah & Kubai, 2011) carried out a survey of factors influencing agent retention in insurance industry in Kenya and observed that basic pay, training and development, promotion ranked highest on factors that employee would consider while moving to another organization. According to Mensah (2014) he established that majority of managers consider retention of their best employees to be an important part of their long term business strategy but many organisations do not have a framework in place to effectively retain their employees. Studies reviewed in the literature indicate that retention factors vary from one industry to the other and a factor could rank high in one industry, lower or is totally irreverent. It is this diversity in retention from one organization to another that this study wanted to investigate the influence of training practice and employee retention in selected beverage processing firms in Kenya.

**Literature Review**

The rate of employee turnover affects the performance of an organization and therefore employee retention is considered of utmost importance globally, Ayodo et al, (2014). In today’s competitive global market the only strategy for organizations to improve workforce productivity radically and enhance retention is to seek to optimize their workforce through comprehensive training and development programmes. Low turnover ensures that organization is retaining their competent employees by providing them superior environment, which increases the performance of individual employee Ayodo et al, (2014, as cited in Waleed Hassan et.al 2013). In the face of restructuring, organizations in a bid to remain in business and still be effective in their ventures managers need to maximize on their strategic resources by carefully isolating for retention the best-trained, experienced, disciplined, productive and effective employees to sustain a competitive advantage and differentiate themselves from their competitors Ayodo et al, 2014).

Training practices in organizations should be guided by polices which should be adhered to always. Training is beneficial to the organization as well to the individual. With a well trained workforce, the organization will turn out a high standard of goods or services, probably in more cost-effective manner than others, and therefore, with a better chance of achieving organizational goals are they profit oriented or service oriented. Other benefits to the organization include maintenance of a sufficient and suitable range of skills amongst employees; development of knowledge and skills in the workforce; achievement of improved job performance and productivity; improved quality; improved
service to customers and increased motivation among employees. There are also benefits to individuals which include increase in personal repertoire of skills; increased satisfaction; increased value of employees in the labour market and improved prospects of internal promotion (Cole, 2005). Opportunities for training are among the most important reasons why employees stay especially young and enthusiastic ones. Indeed, Dockel (2003) states that investment in training is one way to show employees how important they are. One of the factors that Hertzberg identifies as an important motivator is the growth opportunities. Armstrong (2010) argues that people enjoy learning and continuous training provides for this. Therefore, training is a satisfying and rewarding experience and makes a significant contribution to intrinsic motivation. Employees want good training opportunities to increase their marketability. The conventional wisdom used to be that if the company makes them marketable, employees will leave at the first opportunity. But today, companies are finding that the more training employees get, the more likely they are to stay on. Indeed, when the training ends, turnover tends to begin (Hill, 2002 cited in Chew 2004). Tettey (2006) observes that professional development is the engine that keeps the universities true to their mandate as centers of ideas and innovation. Without efforts in this direction, intellectual capital can stagnate and the relevance of universities to society may diminish. Academic staff thrives on intellectual and collegial stimulation from their peers when they attend professional activities and national and international research meetings. Thus, development activities for faculty members continue to be an important aspect associated with their professional work lives (Rosser, 2004). Training is important because it prevents knowledge obsolescence and plays a key role of advancing knowledge and skills of staff for them to play new roles. As universities are faced with accelerating changes in their environment, teachers need to improve their skills in the acquisition and management of new knowledge (Obwogi, 2011). Chacha (2004), staff training is one of the areas that lag behind and impacts negatively on teaching and research. Up to two thirds of university teachers have had no initial pedagogical training. Most of these institutions are relying on individuals who have not acquired their highest level of academic training as lecturers. To improve their efficiency and effectiveness in delivering their services, staff and especially the academic staff, must be trained continually in relevant areas. Universities must have a clear training policy, outlining their strategy for human resource development. Dockel (2003), states that employees stay at companies that promote career opportunities through learning, and the ability to apply their newly learned skills. Chew (2004), level of employee turnover and training are expected to be inversely related; the higher the level of training, the lower the turnover intention. This expectation is based on the reasoning that the longer an employee stays with an employer; the higher will be the return on training. Waleed (2011) argues that appropriate training contributes positively to employee retention because it makes employee feel recognized for their strengths and creates possibilities to develop their qualities.

According to previous studies several factors are considered important in retaining employees. The factors which have a direct effect on employee retention are career management adds real value to retention. Suppose if an employee learnt a lot in training session but when it comes to apply it in job, the manager or supervisor shows very little interest to support him/her, this will discourage the employee. So employee cannot take benefit of training program. And eventually this will lead to dissatisfaction of employee. Samganakkan, (2010) in his article he identified how the human resource
management practices such as training, appraisal etc affect the employee, their intention to stay and their motivation. According to his research training is an important determinant of employee motivation and retention. He identified that compensation should be such which force the employees to stay in the organization as retention is an important matter for the organizations effectiveness. The company to become a good employer and also to succeed it is important that they keep their turnover rate low and for this purpose he identified that compensation is one of the important things to keep employees motivated and retain. Thus, the study proposed the hypothesis that: training practice has no significant influence on employee retention in firms.

On the other hand, employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Retention of human resource is critically important in organizations and institutions where financial sustainability and survival in a competitive environment depend on the scarce human and specialist skills. The situation is further exacerbated if these individuals are rare or when it becomes difficult to obtain and retain these kind of staff (Phillips et.al. 2003). Organizations therefore, must continuously discover current retention factors and integrate them in the organization. Without empirical evidence, it is not known if the current organizational retention strategies are outdated as they may have little or no influence on employees’ decision to stay with an organization (Sutherland, 2004).

One of the major reasons why staff retention is important is due to the numerous negative outcomes that are associated with labour turnover. These organizational outcomes include high direct and indirect financial costs; a decrease in financial sustainability, a decrease in productivity; the rendering of service and standards; interruption in workflow; loss of experience and specialist knowledge; an increase in administrative processes; a decline in the organizations image; an interruption in the internal and informal social liaison and communication channels and an increased feeling of job dissatisfaction among the remaining staff Pienaar et al., (2008).

However, various studies have identified an array of factors that influence employee retention. Chew (2004), in a study on retention of employees in Australian organizations, established that younger employees focused on remuneration, training and development, career advancement, challenging work, growth opportunities and recognition. For older employees, autonomy, opportunities to mentor and job challenge were of great importance. A study by Daly et al., (2006) on turnover intention of academics established that structural factors such as faculty work environment, autonomy, communication, distributive justice and workload were related to intent to stay. Amutuhaire (2010) in a study of academics in Makerere University established that remuneration and tenure influenced their retention. Locally, a study of staff retention in service organizations (Udi, 2010) established that lack of adequate reward and compensation and lack of career development in terms of promotion influenced employees to leave. Kipkebut (2010) in a study on organizational commitment and job satisfaction of employees in universities in Kenya established that role conflict, promotional opportunities, age were some of the factors that influenced employee intention to quit from the university and hence affected staff retention. These findings reflect a mixture of intrinsic and extrinsic factors. In terms of the effect of training on employee retention, Srinivas (2008) reveals that there is a strong association between training opportunities in organizations and sustainable employee retention. In the same vein, studies by (Boon & Arumugam, 2006 and Bashir and Ramay (2008) corroborate with the previous proposition. These studies reveal the existence of positive and
significant relationship between training practices and employee retention rate. Following the studies analyzed, it can be concluded that the basic trend in literature is that training and development results in high employee retention rates. Training according to chew (2004), provides employees with specific skills or correct deficiencies in their performance, while development is an effort to provide employees with abilities the organization will need in the future. Huselid (1995), providing training and job security by organization are important determinants of employees Retention. Human resource practices, such as training are positively correlated to retention, because the practice ‘lock’ employees in their jobs- this is called employees retention. This is in agreement with the assertion of wan (2007) that the only strategy for organization to radically improve workforce productivity and enhance their retention is to seek to optimize their workforce through comprehensive training and development. For organizations to achieve this purpose, they need to plough resources into the training of their personnel so as to be competitive in the near future. Staff that are not trained stand no chance of being promoted and so has a future that is bleak, this makes some employees look for alternative job where their trainings guaranteed. Therefore, this study adopted various constructs to measure employees’ retention such as remuneration, training and development, career advancement, challenging work, growth opportunities and recognition.

Research Methodology
The study was conducted using survey design to establish the relationship between variables. The target population was 2940 employees of beverage firms in Kenya and the sample size was 352 employees which was calculated using Taro Yamanes formula. The study adopted structured questionnaires to get answers of the research questions. Questionnaires were used to collect data and later on analysed using descriptive statistics and presented in frequency tables. Piloting was conducted using Cronbach Alpha and all Coefficients were above 0.7 implied that reliability of the data collection instrument was good.

Research Findings and Discussion
The study sought to determine the influence of training practice on employee retention in beverage processing firms in Kenya. The respondents were asked to indicate the influence of training practice on employee retention in selected beverage processing firms in Kenya. This was on a scale of strongly agree, agree, undecided, disagree and strongly disagree. The score of strongly agree represented very high influence of training on employee retention and was taken to be equivalent to mean score of 4.1 to 5.0 on the likert scale. The score agree represented high influence of training on employee retention and was taken to be equivalent to a mean score of 3.1 to 4.0. The score undecided represented neutral influence of training on employee retention and was taken to be equivalent to mean score of 2.1 to 3.0. The disagree scores represented low influence of training on employee retention and was taken to be equivalent to mean score of 1.1 to 2.0 and the score strongly disagree represented influence of training on employee retention and was taken to be equivalent to mean score of 0.1 to 1.0. A standard deviation of more than one implies a significant difference in respondents. A result of the analysis is presented in Table below.
## Results of Training Practice

<table>
<thead>
<tr>
<th>Statements on training</th>
<th>Strongly disagree (%)</th>
<th>Disagree (%)</th>
<th>Undecided (%)</th>
<th>Agree (%)</th>
<th>Strongly agree (%)</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. There is a training policy for our company</td>
<td>18</td>
<td>0</td>
<td>3.5</td>
<td>50.2</td>
<td>28.4</td>
<td>3.709</td>
<td>1.36370</td>
</tr>
<tr>
<td>2. Training opportunities are regular for our company</td>
<td>0</td>
<td>47.8</td>
<td>3.5</td>
<td>32.9</td>
<td>15.9</td>
<td>3.169</td>
<td>1.19125</td>
</tr>
<tr>
<td>3. The implementation of training policy is fair in our company</td>
<td>4.5</td>
<td>40.8</td>
<td>11.4</td>
<td>35.3</td>
<td>8</td>
<td>3.013</td>
<td>1.12414</td>
</tr>
<tr>
<td>4. The training I have received is relevant to my job</td>
<td>4.5</td>
<td>21.5</td>
<td>3.5</td>
<td>37.7</td>
<td>32.9</td>
<td>3.73</td>
<td>1.249</td>
</tr>
<tr>
<td>5. I am satisfied with the training practices</td>
<td>9</td>
<td>45.3</td>
<td>3.5</td>
<td>35.3</td>
<td>6.9</td>
<td>2.86</td>
<td>1.195</td>
</tr>
</tbody>
</table>

From the study findings above, it was established that beverage processing firms train their employees in order to equip them with relevant skills on their jobs which was rated high at 3.73 on the scale of 1 to 5. Also, it was noted that beverage processing firms have come up with training policy which was rated highly at 3.7 on the scale of 1 to 5. It was also revealed that the implementation of training policy in beverage processing firms was done in fairly and was revealed high at 3.0 on the scale of 1 to 5. Likewise, the study indicated that training of employees in beverage processing firms was done on regular bases and thus gives firms ample time to plan for scarce resources. However, the respondents indicated that they are neither nor satisfied with the training practice conducted by beverage processing firms.

Based on the study findings, it’s clearly evident that beverage processing firms train their employees, have got training policy, implementation of training policy was done fairly and training of employees was done on regular bases. These study findings corresponds with the study of Cole (2005) who established that training practices in organizations should be guided by polices which should be adhered to always. With a well trained workforce, the organization will turn out a high standard of
goods or services, probably in more cost-effective manner than others, and therefore, with a better chance of achieving organizational goals are they profit oriented or service oriented. Other benefits to the organization include maintenance of a sufficient and suitable range of skills amongst employees; development of knowledge and skills in the workforce; achievement of improved job performance and productivity; improved quality; improved service to customers and increased motivation among employees. There are also benefits to individuals which include increase in personal repertoire of skills; increased satisfaction; increased value of employees in the labour market and improved prospects of internal promotion.

Equally, Armstrong (2010) argued that people enjoy learning and continuous training provides for this. Therefore, training is a satisfying and rewarding experience and makes a significant contribution to intrinsic motivation. Employees want good training opportunities to increase their marketability. Also, Obwogi (2011) found that training is important because it prevents knowledge obsolescence and plays a key role of advancing knowledge and skills of staff for them to play new roles. As universities are faced with accelerating changes in their environment, teachers need to improve their skills in the acquisition and management of new knowledge. In addition Universities must have a clear training policy, outlining their strategy for human resource development.

Nevertheless, the study established that some employees are not satisfied with the training practice in beverage processing firms. This maybe result of not involving employees in participating directly in the areas they want to be trained. Paulo and Anantharaman (2004) established that all-inclusive training depicts a significant and positive linkage with organizational commitment and job satisfaction.

The study also, conducted regression analysis so as to determine the influence of training practice on employee retention in selected beverage processing firms in Kenya. The hypothesis tested was: Training practice has no significant influence on employee retention in selected beverage processing firms in Kenya. The findings are indicated below.

Model Summary of Training Practice

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.589a</td>
<td>.347</td>
<td>.345</td>
<td>3.51606</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Training
b. Dependent Variable: Retention

The linear regression model showed that adjusted $R^2 = 0.345$ which means that 34.5 percent change of employee retention in selected beverage processing firms in Kenya can be explained by a unit change of training practice. The result is shown in table above. Also, the result indicated that one unit change in training translates to 45.5 percent change in beverage processing firms in Kenya and therefore, training practice has influence on employee retention in beverage processing firms in Kenya.

Further test on ANOVA showed that the significance of the F-statistic (152.5) is less than 0.05 since p value, $p=0.00$, as indicated in table below. This implied that there is a positive significant relationship between training practice and employee retention in beverage processing firms in Kenya.
ANOVA\(^a\) of Training Practice

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1885.501</td>
<td>1</td>
<td>1885.501</td>
<td>152.515</td>
<td>.000(^b)</td>
</tr>
<tr>
<td>Residual</td>
<td>3548.091</td>
<td>287</td>
<td>12.363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5433.592</td>
<td>288</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(a\). Dependent Variable: Retention
\(b\). Predictors: (Constant), Training

Additional test on the beta coefficients of the resulting model, showed that the constant \(\beta = 3.732\) if the independent variable of training practice is held constant then there will be a positive on employees retention in beverage processing firms in Kenya by 3.732. The regression coefficient for training practice was positive and significant (\(\beta = 0.571\)) with a t-value=12.35 (p-value<0.001) implying that for every 1 unit increase in training practice, employees retention in beverage processing firms in Kenya is predicted to increase by 0.571 units and therefore hypothesis was rejected. As shown in Table below.

Coefficients\(^a\) of Training Practice

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.732</td>
<td>.803</td>
<td>4.650</td>
<td>.000</td>
</tr>
<tr>
<td>Training</td>
<td>.571</td>
<td>.046</td>
<td>.589</td>
<td>12.350</td>
</tr>
</tbody>
</table>

\(a\). Dependent Variable: Retention

From the results it is revealed that training significantly influence employees’ retention in beverage processing firms in Kenya. This finding is in harmony with Cole (2005) who observed that training practices in organizations should be guided by polices which should be adhered to always. Training is beneficial to the organization as well to the individual. With a well trained workforce, the organization will turn out a high standard of goods or services, probably in more cost-effective manner than others, and therefore, with a better chance of achieving organizational goals are they profit oriented or service oriented. Other benefits to the organization include maintenance of a sufficient and suitable range of skills amongst employees; development of knowledge and skills in the workforce; achievement of improved job performance and productivity; improved quality; improved service to customers and increased motivation among employees. There are also benefits to individuals which include increase in personal repertoire of skills; increased satisfaction; increased value of employees in the labour market and improved prospects of internal promotion.

Conclusion and Recommendations

Based on the study findings, it could be concluded that beverage processing firms train their employees. Further, it could be concluded that training practices in beverage processing firms are guided by polices which adhered to always. Also, it could be concluded that the implementation of training policy in beverage processing firms was done in fairly manner. Nevertheless, it could be
concluded that some employees are not satisfied with the training practice in beverage processing firms. This might have been as a result of not involving employees in participation directly to allow them identify areas to be trained. Lastly, the study concludes that training practice showed a positive correlation with retention of employees in beverage processing firms. This implied that training practice influence positively employees retention in beverage processing firms in Kenya and therefore the hypothesis was rejected.

On training practice, the study established that beverage processing firms train their employees and training activities are guided by policy laid down in beverage processing firms. Nevertheless, from the study it was found out that some employees are not satisfied with the training practice in beverage processing firms. Therefore, the study recommends that beverage processing firms should involve employees to participate in decision making in order to allow them identify areas they need to be trained.

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