



## **The Impact of Training and Development on Employee Commitment and Retention**

Senavirathna DMHD\* and Deegahawature MMDR

Department of Industrial Management, Faculty of Applied Sciences, Wayamba University of Sri Lanka

\*hasanthikads405@gmail.com

### **ABSTRACT**

The textile and apparel industry occupies a prominent position in Sri Lanka's industry structure. It is the biggest employer in manufacturing sector and considered as Sri Lanka's number one foreign exchange earner. The apparel industry reports a higher employee turnover rate. Also, the apparel sector invests largely on training and development (T&D) and the value of this investment would be intensified if it increases employee commitment and retention. Thus, this study attempts to investigate the effect of T&D on employee commitment and retention. Particularly, the influence of the factors related to T&D on employee commitment and retention are explored. The sample consists of 120 employees from a leading firm in apparel industry. A structured questionnaire was used in data collection. The employee commitment was measured by using Meyer and Allen's three component model, and the retention was measured by the appreciation and stimulation, career opportunities within the organization, work life balance and the intention to stay, whereas T&D was measured by Training design, Trainer quality, Delivery style and Learning experience. T & D show a positive relationship with Employee commitment and retention. The regression analysis indicates that both training design and learning experience significantly affect employee commitment, whereas training design and trainer quality significantly affect employee retention.

**KEYWORDS:** Commitment, Delivery Style, Learning Experience, Retention, Training and Development, Training Design, Trainer Quality

### **1 INTRODUCTION**

Training as an essential investment in the process of economic development is yet to be realized by most of the industrialists in Sri Lanka. In spite of the phenomenal growth of the apparel industry, it has been operating under certain constraints, out of which two of the most important factors are the inadequate skilled labour and higher employee turnover. Also only a small proportion of people engaged in the industry have had the opportunity for systematic training. This is because of the inadequate training facilities such as, qualified trainers, training environment, or proper training methods. This study is focused on employees, since the employees are the best assets of this labour intensive organization. Employee commitment implies an intention to persist in a course of action. Therefore, organizations often try to foster commitment in their employees to achieve stability and reduce costly turnover. It is commonly believed that the committed employees will also work harder and be more likely to "go

the extra mile" to achieve organizational objectives (Meyar and Allen, 2004). Research has consistently demonstrated that the commitment does indeed contribute to a reduction in turnover.

Not only the commitment but also the employee retention in the organization affects their organizational performance and profitability. Retention refers to the ability of an organization to retain its employees. Employee retention is linked to various factors of an organization, which affects the employee to retain at the organization over a period (Sharma & Misra, 2015).

This research emphasizes the need for paying attention of companies on the training and development programs as a means of enhancing the employee commitment and retention. Through identifying factors of training and development program which significantly affect the commitment and retention, companies in the apparel industry can address those significant factors. This would ultimately help organizations to effectively

utilize their resources and sustain the competitive market place. At large, the findings of this research would help strengthen the Sri Lankan apparel industry.

## 2 LITERATURE REVIEW

Training is not a tool to polish current skills of employees, but to prepare employees for future impacts from competitive forces. Training boosts the commitment, and employees think that organization is opening doors to their success. Then it increases the employee retention with the organization. In today's competitive environment there is a great need of employee's commitment and appropriate strategy that pulls the turnover rate downward (Ahmad, 2014). Companies consider retention of employees as a challenge due to the increased flexibility of jobs. Ongori (2007) highlights that when the employees are introduced to more training they show higher level of commitment as compared to others.

According to Armstrong (2001), "Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job". According to the Flippo (1984), "Training is the act of increasing knowledge and skills of an employee for doing a particular job."

The principal objective of training is to make sure the availability of a skilled and willing workforce to the organization (Kulkarni, 2010). In addition to that, there are four other categories of objectives: Individual, Organizational, Functional, and Social.

Akintayo (2010) suggests that employee commitment can be defined as the degree to which the employee feels devoted to their organization. Ongori (2007) describes employee commitment as an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. Zheng (2010) describes employee commitment as simply employees' attitude to organization.

Employee retention is a serious and critical problem for all types of organizations, especially in the Sri Lankan apparel industry. The term "employee retention" first appeared on the business scene in the 1970s and early 80s (Armstrong, 2001). If the employee leaves the organization, a knowledge gap is generated. In addition, the organization will be faced with a significant loss such as reduction in organizational performance, if the turnover of talented employees is high.

Tahir et al., (2014) use the enhancement, job knowledge, techniques, skills, ability, competency and morale as determinants of training and development to evaluate employee productivity and performances. Also Khan et al. (2011) use the training design, delivery style and on the job training as the elements of training and development to evaluate training and development.

Training and development benefit individual employees through helping them make better decisions and effective problem solving, assisting in encouraging and achieving self-development and self-confidence, helping an employee a person handle stress, tension, frustration, and conflict, increasing job satisfaction and recognition and moving the person toward personal goals while improving interaction skills (Sim, 1990). Krueger and Rouse (1998) also revealed that training and workplace education programs can have various benefits to the organizations.

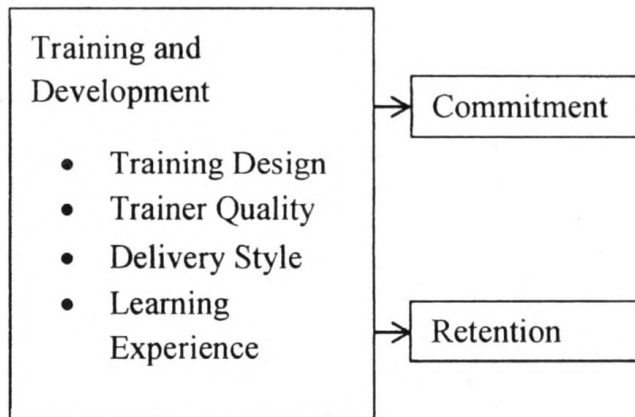
According to Deerasinghe (2003), 7.5% percent of the workforce in Sri Lanka currently engaged in the operational level jobs have acquired vocational training, the balance acquired skills through work experience. It emphasized the need of training and development programs for the Sri Lankan apparel industry.

Training and development skills of the personnel have a direct impact on the employee commitment and retention. It candidly affect the improvement of productivity and quality of the work. Further

training and human resource development have become the key element for the future survival of the apparel industry since the training and development boots the employee commitment and retention.

**3 METHODOLOGY**

Considering the literature, this study postulates research model as depicted in Figure 1.



**Figure 1: Research Model**

The population consists of sewing machine operators of a leading garment manufacturer in Sri Lanka. 120 employees were selected as the sample. Among them only 83 employees responded. The dependent variables were commitment and retention, whereas the independent variables were training and development, and training design, trainer quality, delivery style and learning experience were considered as sub variables.

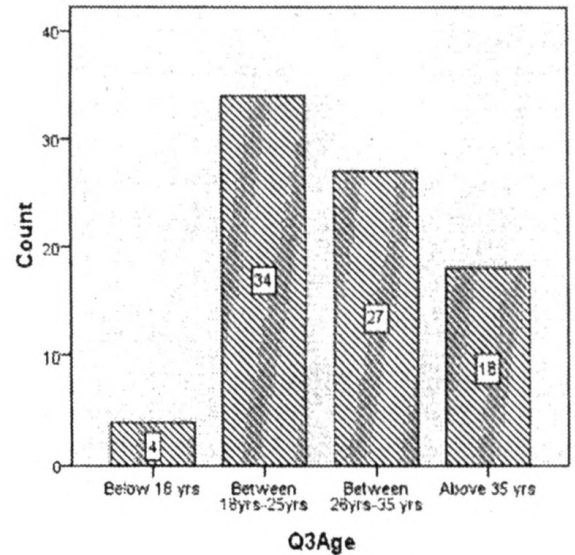
Employee commitment was measured by using Meyer and Allen’s three component model and retention was measured by appreciation and stimulation, career opportunities within organization, work life balance and intention to stay. A structured questionnaire was used as the research tool to gather data. The questionnaire comprised four parts namely demographic details, training and development, employee commitment, employee retention, and the five point Likert scale was used in the questionnaire.

**4 DATA ANALYSIS**

Descriptive statistics was used to analyze demographic data. Correlation

analysis identified the relationship between the dependent and independent variables. Finally, multiple regression was carried out to build a relationship between the variables and identify significant factors.

**5 RESULTS AND DISCUSSION**



**Figure 2: Age wise Distribution**

Descriptive statistics revealed that the majority of the employees (74.7%) in the apparel sector is females, and male category consists of 25.3%. Also majority of the employees (34%) belongs to the age group 18- 25 years. Deerasinghe (2003) also stated that more than 64% of the labour force in the operational grades is in the age group 18-24 years. Further descriptive statistics revealed that 78.31% employees are interested in participating in on the job training program. Khan et al. (2011) stated that on the job training is significant on organization performance.

Chi-square test concluded that there is no association between service period and gender. But Deerasinghe (2003) stated that most of the female workers leave the industry after marriage while a considerable number of trained workers leave the industry for foreign employment.

Correlation analysis revealed a significant positive relationship in between training and development and employee commitment. Similar result was found between training and development and employee retention.

**Table 1: Results of Multiple Regression Analysis**

Model Summary				
	Commitment		Retention	
R <sup>2</sup> Value	0.566		0.592	
Model				
	Commitment		Retention	
	Coefficient	P value	Coefficient	P value
Constant	30.746	0.000	16.777	0.029
Training Design	0.253	0.025	0.297	0.018
Trainer Quality	0.135	0.222	0.200	0.100
Delivery Style	-0.120	0.238	0.067	0.550
Learning Experience	0.254	0.015	0.174	0.130

The multiple regression analysis shows that Training Design and Learning Experience are significant with the employee commitment (At 95% significance level) and 56.6% variability of employee commitment is explained by these independent variables. Similarly Training Design and Trainer Quality are significant with the employee retention (At 90% significance level) and 59.2% variability of employee retention is explained by these independent variables.

Khan et al. (2011) also stated the training design, delivery style and on the job training are significant on organization performance. Also Ahmad (2014) stated the training and development have an impact on employee retention.

## 6 CONCLUSION

The findings of the study indicated that employees working in the Sri Lankan apparel industry considered the Training and Development as a main factor of commitment and retention.

By enhancing identified significant factors of training and development employee commitment and retention can be increased. Further the research site should be strengthened to get a maximum output

from future studies. Better conclusions might be made if both quantitative and qualitative aspects were concerned.

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