

THE RELATIONSHIP BETWEEN TRAINING AND EMPLOYEES' RETENTION: A REVIEW PAPER

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Abstract: *In this globalization era, organizations have been looking for approaches that could retain talented employees. Talented employees are the major assets of organizations that could improve overall organizational performance. Employees are the human resources that assist an organization to run daily operation. In order to enhance the competitiveness of organizations in this competitive era, it is important to look for the factors or antecedents that could retain employees, especially talented and good employees. However, it was claimed that employee retention is overlooked in the past studies. There are many factors that could help to retain employees. Training is one of the contributors that is potentially retain most of the employees. However, many organizations refused to invest on training because training involves a huge amount of expenses, and the outcomes of training is not guaranteed. It is crucial to develop a review paper that reviews the importance of training on employees' retention. Hence, the past studies that investigated the relationship between training and employees' retention are important for this review paper. This review writing involved the articles that are ranged from 2008 to 2018, which is a decade. From the past studies, it was found that the relationship between training and retention among employees is inconsistent. Some studies revealed significant relationship, while other studies claimed that there is non-significant relationship between the variables. The inconsistency of findings has caused ambiguity to the linkage between the variables. Due to the inconsistency of findings, it is recommended that future studies should conduct more studies about the relationship between training and employees' retention among corporate personnel. Future studies are also suggested to conduct their studies in longitudinal form in order to capture the trend of changes throughout their research.*

Keywords: *Training, Employees' Retention, Human Resource, Review Paper*

Introduction

In this era, retaining employees has been one of the major challenges in organizations due to the increasing competition in labour market (Haider *et al.*, 2015). An organization should concern on retention strategy in order to retain talented employees. This is because failure to retain talented employees could cause the organization to lose employees that own specific skills, abilities, and knowledge (Yamamoto, 2011). Due to the loss, it can bring negative consequences, such as losing customers, as well as decreased productivity and business (Self & Dewald, 2011). In addition, many costs could be incurred by organizations such as re-training new employees, costs of hiring new replacement, and random administration fees (Wocke & Heymann, 2012). Hence, it is crucial for human resource practitioners to understand which strategy could help to retain employees, so that the daily operation of organizations could be ran smoothly (Rasli, Norhalim, Kowang, & Qureshi, 2014). Employees' retention is chosen as a variable because its effectiveness to organizations' outcomes has been proved by past studies (Mahal, 2012). In order to retain potential employees, organizations could keep and encourage their staffs to stay or remain in their companies for a longer duration (Das & Baruah, 2013). Although there are many past studies that investigated turnover or turnover intention, yet, little has known about the factors that could retain employees or causes that make employees to stay (Sinha & Sinha, 2012). It is cautioned that, the motivation to stay at organizations is different from the factors of turnover (Steel, Griffeth, & Hom, 2002). Hence, it is important to investigate the factors that could retain potential employees. Organizations have been using human resource functions to accomplish organizational goals and to perform excellently, where retaining talented employees is one of the goals of organizations as well (Tangthong, Trimetsoontorn, & Rojniruntikul, 2014). Hence, human resource functions play a crucial role in organizations.

Among the human resource functions, many of the functions have been extensively investigated by past researchers. However, only few human resource functions that could bring significant influence on employees' behaviour or organizations' performance, one of the functions is training (Tangthong *et al.*, 2014). Training is believed that it can enhance employees' abilities, skills, and knowledge, as well as their behaviours, which in turn improving organizational performance (Thang & Buyens, 2008). It was claimed that training is one of the vital factors that could affect employees' retention (Hassan *et al.*, 2015). This is because it is believed that training could enhance employees' commitment, which in turn increasing the level of employees' retention (Deery, 2008). However, many organizations refused to put investment on training because training involves huge amount of money, and the return is not guaranteed. Organizations should be acknowledged the benefits of providing training to employees. For example, training is claimed to be able to increase satisfaction of employees because employees' performance can be enhanced through acquiring knowledge from training (Jehanzeb & Bashir, 2013). When employees' satisfaction increased, organizations are more likely to retain employees (Logan, 2000). It is important to highlight the importance of training on employees' retention so that the culture of organizing training could be continued. Therefore, in this review paper, the authors intended to review and highlight the relationship between training and employees' retention to provide recommendations of future directions.

Literature Review

Definition and Concepts of Training

Training is defined as the process of gaining and developing abilities, knowledge, and skills of individuals in order to perform daily operation smoothly in organizations (Latham, 1988).

Training is believed to assist employees to accomplish organizational goals by transferring learned knowledge at workplace (Salas, Cannon-Bowers, Rhodenizer, & Bowers 1999). Training is an effort from an organization which has planned to provide assistance on employees' learning (Noe, 2013). Training aims to deliver knowledge and skills that work-related, as well as putting effort in changing employees' attitude (Werner & DeSimone, 2011). Training is described as the process that assists organizations to close the discrepancies between expected outcomes and current performance (Elnaga & Imran, 2013). In order to work more effectively, training can help by substituting traditional work practices to an upgraded work practice (Kathiravan, Devadason, & Zakkeer, 2006). In the aspect of mental, training could help the staffs in reducing stress and anxiety towards work related problem because employees' skills and knowledge had been enhanced (Chen, Donahue, & Klimoski, 2004). It is believed that by providing training, employees have lower level of intention to quit from their workplace because they are able to complete their tasks by gaining new knowledge from training (Chen *et al.*, 2004).

Definition and Concepts of Employees' Retention

Employees' retention is described as the actions that performed by organizations to avoid talented employees from leaving the companies (Hong *et al.*, 2012). Retention refers to intentional behaviour of organization to produce an environment that could remain employees for a long time (Chaminade, 2007). Employees retention is also known as a process which the organization puts effort to retain the core and talented employees in order to accomplish organizational goal (Kyndt, Dochy, Michielsen, & Moeyaert, 2009). Employees' retention is described as the action of organizations that attempt to make the employees stay longer than their competitors (Johnson, 2002). Taplin, Winterton, and Winterton (2003) claimed that, retention could happen among employees when the organization takes appropriate steps or strategies to make the employees to stay for longer period. Retention is also described as the initiative that is taken by organizations to avoid the loss of talented, competent, and potential employees from leaving organizations which can lead to decreased productivity (Chiboiwa, Samuel, & Chipunza, 2010). Kyndt *et al.* (2009) claimed that, employees' retention could help an organization to become economically stable and competitive because employees' retention involves retention of knowledge and skills.

Theoretical Foundation

For the purpose to discuss the relationship between training and employees' retention, Herzberg Two-Factor Theory acts as the theoretical foundational theory. Herzberg is the theory developer who started the work of theory with his colleagues in investigating the elements that could influence employees' motivation (Abba, 2018). Herzberg (1959) believed that, it is crucial to identify intrinsic factors that could improve employees' motivation at workplace, which was known as "motivators", such as growth of career, position advancement, as well as training opportunities. Contradictorily, Herzberg (1959) claimed that, besides investigating "motivators", it is also crucial to determine factors that bring dissatisfaction to employees, which was known as "hygiene" factors, such as job stress, working environment, and company's policies. Abba (2018) claimed that, through Two-Factor Theory, it can be understood that when motivation is enhanced among employees through "motivators" such as training, satisfaction of employees could be improved, which in turn improving employees' retention. In contrast, if employees are not provided training as advancement, employees will be less likely to be retained in organizations. Therefore, based on this theory foundation, it is believed that there is a relationship between training and employees' retention.

Methodology

This review paper focused on the articles dated from 2008 to 2018. This is because scholars started to pay attention to the effect of training on employees' retention since a decade ago, which is ten years ago (2008-2018). Hence, our searching was limited to those articles that were produced in this one decade. For the purpose of reviewing the relationship between training and employees' retention, the authors had adopted relevant approaches to look for the variables comprehensively via the databases of journals. The authors used browser tool to browse related articles for this review writing. Several journal databases had been searched by the authors, such as Elsevier and Scopus. In order to obtain appropriate articles, the authors used the tool of filtering which was available in each journal database. Throughout the searching process, we paid attention to four inclusions in order to obtain the right articles for our writing. Firstly, we included only the articles which informed the validity and reliability of instruments, because failure to inform could affect the validity of result. Secondly, we included empirical studies only, instead of conceptual papers. Thirdly, we included the studies that involved real corporate personnel, instead of student samples. This is because the sample of students is significantly different from real personnel in corporate. Fourth, we included the relevant variables only, which are training and employees' retention. Although turnover intention has similar concept with retention, we did not include because the variable is not related to our writing.

Results

To understand the linkage between training and employees' retention, past literatures play a major role in assisting the authors to discuss the findings as well as the theories used in the past studies. The past researches helped to show the findings on the linkage between training and employees' retention. It was believed that training could increase the self-efficacy of employees, as well as their confidence in completing tasks. These improvements could help to retain employees from leaving organizations. After reviewing the past studies ranged from 2008 to 2018, it was found that there are few past studies that examined the relationship between training and employees' retention. Training is able to influence retention among employees, where it was revealed that training has significant positive linkage with employee retention (Van Dormael *et al.*, 2008). The finding is consistent with another study that was conducted by Costen and Salazar (2011). It was believed that, well-trained employees tend to have higher self-esteem, hence decreasing dissatisfaction in organizations which could help to retain the employees. Besides, it was revealed that training is significantly related to retention of employees (Hong *et al.*, 2012). This indicates that training plays crucial role in influencing the retention rate among employees in organizations. Hong *et al.* (2012) mentioned that training can help to boost employees' confidence in problem solving and to increase their commitment in job, which in turn increasing the retention rate of employees. Hong *et al.* (2012) adopted Maslow's Need Hierarchy Theory in their study. Hence, it could be seen that their findings are aligned with the theory, when employees' need (training opportunities) is satisfied, employees are less likely to leave their workplace. Besides, Costen and Salazar (2011) study which adopted Social Exchange Theory, also revealed that the theory was applicable in this linkage. When employees are treated well with adequate training opportunities, they are less likely to leave the companies.

Furthermore, another study that was conducted by Hassan *et al.* (2013) revealed that, training has significant and positive relationship with employees' retention. The scholars believed that training could provide several training benefits such as career development, therefore increasing the retention rate among employees. The result is similar with a study that was conducted by Fletcher, Alfes, and Robinson (2016), where there is a significant positive

relationship between the variables. This indicated that when employees have high self-efficacy due to attending to training, the employees tend to stay at their workplace instead of quitting from the organizations. Similarly, another study showed that there is a significant linkage between training and employees' retention (Kakar, Raziq, & Khan, 2017). Kakar *et al.* (2017) mentioned that, training is able to provide employees updated skills and knowledge, which will enhance employees' commitment to work, which in turn increasing the probability of retention among employees. Similar with previous study, Fletcher *et al.* (2016) adopted Social Exchange Theory as well, where the theory supported that the increasing of training opportunities will help to enhance employees' retention.

However, although most of studies agreed there is significant and positive relationship between training and employees' retention, Haider *et al.* (2015) revealed different finding, where there is significant but negative relationship between training and employees' retention. This is most probably be due to, well-trained employees have gained better skills and intended to look for better companies to work with, hence decreasing the rate of retention. Different from Haider's *et al.* (2015) study, Abba (2018) revealed that there is significant and positive relationship between the variables. Positive relationship brings a meaning that, when level of training is increased, the rate of retention will be increased among employees. Abba (2018) adopted Herzberg Motivation Theory, where the theory explains that when employees are motivated intrinsically (training), the employees are less likely to leave the companies, which in turn enhancing retention rate. The difference between these two studies could be due to different settings of work. Haider's *et al.* (2015) respondents were come from telecommunication sector, while Abba (2018) respondents worked in banking sector. Therefore, it can be seen that different sectors could yield different results.

Nevertheless, although most of the researchers agreed that there is a significant connection between training and employees' retention, it was found that there is non-significant relationship between the variables (Moncarz, Zhao, & Kay, 2009). Contradictory with previous studies, training has no significant influence on employees' retention in the study. The study was conducted on two groups of employees, namely management team and non-management team. Both sectors revealed different findings, where there is no significant relationship between the variables among non-management team, while significant relationship was found among management team. It can be seen that different groups of staffs could yield different findings on the relationship. Furthermore, Thite and Russell (2010) revealed that there is a non-significant influence of training on employees' retention. This finding is similar with another study which was conducted by Terera and Ngirande (2014). The scholars reported that training did not significantly influence employees' retention. It was believed that training is not the only antecedents that could solely affect the rate of retention, hence yielding insignificant linkage between the variables. Although Terera and Ngirande (2014) adopted Herzberg Motivation Theory, the result revealed that intrinsic motivation solely could not motivate the employees to stay in organizations for a longer period. This is not aligned with the Herzberg Motivation Theory that explains intrinsic motivation could help to retain employees. From the previous studies, it can be clearly seen that the relationship between training and employees' retention are remained uncertain due to the findings of relationships are inconsistent.

To summarize, the connection between training and employees' retention remained uncertain in the previous studies. It revealed that some of the researchers claimed that there is significant linkage between the variables, while some researchers claimed that there is no significant linkage between training and employees' retention. Furthermore, it is suggested that more

studies are required in future to verify the relationship between the variables. Below is the table that summarized the findings of review.

Table 1: Summary of Findings

| No. | Authors | Years | Respondents | Results |
|------------|--|--------------|--|---|
| 1. | Van Dormael, Dugas, Coulibaly, Marchal, & Desplats | 2008 | 65 community doctors in Mali rural areas | Significant (positive) |
| 2. | Moncarz, Zhao, & Kay | 2009 | 70 employees from 10 management companies in United States. | Non-significant (management) and significant (non-management) |
| 3. | Thite, & Russell | 2010 | 638 employees from Indian call centres | Non-significant |
| 4. | Costen, & Salazar | 2011 | A group of employees from four lodging properties in the United States | Significant (positive) |
| 5. | Hong, Hao, Kumar, Ramendran, & Kadiresan | 2012 | 300 lecturers from a Malaysian university | Significant (positive) |
| 6. | Hassan, Razi, Qamar, Jaffir, & Suhail | 2013 | 100 staffs from Lahore telecommunication sector | Significant (positive) |
| 7. | Terera, & Ngirande | 2014 | 120 administration staffs from a South Africa institution | Non-significant |
| 8. | Haider, Rasli, Akhtar, Yusoff, Malik, Aamir, & Tariq | 2015 | 250 staffs from telecommunication sector in Pakistan | Significant (negative) |
| 9. | Fletcher, Alfes, & Robinson | 2016 | 1,191 employees from seven organizations in United Kingdom. | Significant (positive) |
| 10. | Kakar, Raziq, & Khan | 2017 | 150 employees from three banks in Quetta City | Significant (positive) |
| 11. | Abba | 2018 | 197 staffs from several banks in Bauchi | Significant (positive) |

Conclusion

To conclude, diverse finding was found after the authors reviewed the connection of training and employees' retention. Although majority of the studies revealed significant relationship between the variables, yet, the relationship remains ambiguous due to inconsistency of findings. Inconsistency was found when some scholars mentioned there is significant relationship

between the variables, while some scholars did not find any significant linkage between the variables. This review paper could help to clear the contradiction of the relationship by revealing the trend of linkage from 2008 to 2018. Training could be one of the antecedents that can affect employees' retention. Hence, in order to retain talented employees, it is crucial for organizations to focus on providing training to targeted employees. Organizations are advised to focus on moderators or mediators that could indirectly retain employees, instead of directly affect the behaviour of employees. This review paper could help to provide useful insight to organizations regarding the influence of training on employees' retention. The review revealed the importance of training in affecting employees' retention, therefore organizations or human resource practitioners should put attention to this matter. Meanwhile, due to the inconsistency of findings among previous studies, future researchers should conduct more investigations in order to provide more concrete and consistent results. Furthermore, since most of the previous studies were cross-sectional studies and were conducted through survey approach, the long-term effect changes could not be captured. Hence, in future studies, it is encouraged to conduct longitudinal studies in order to capture the pattern of relationship between the variables.

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