

Training and Employee Retention In Nigeria's Food Processing Industry

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Abstract: *Employees are the most valuable assets in an organization. Their significance to organizations calls for not only the need to attract the best talents but also the necessity to retain them for a long term. Therefore, the general objective of this study is to establish the effect of corporate training on employee retention in Nigeria's food processing sector. The study adopted a descriptive research design and a total of 220 respondents were sampled using a structured questionnaire. Data were analysed using regression and correlation analysis. The results indicate that there is a significant positive relationship between corporate training and employee retention ($r = 0.58$ at $p=0.0001$). Also, employee intention to stay and employee commitment are significant predictors of employee retention. It is recommended that management of organisations should design and implement appropriate training strategies that would boost the commitment levels of employees.*

Keywords: *corporate training, employee commitment, employee retention, intention to stay, Nigeria*

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I. Introduction

Globalization, rapid change in technology and the socio-economic environment, have prompted organizations to ensure that their employees receive relevant training in order to facilitate effective performance and competitive edge (Evans, Pucik & Barsoux, 2002). In the last decade, there has been prevailing evidence on the growth of knowledge in the business world (Aidah, 2013). This growth has brought about improvements in technology and other factors of production; it has also increased efforts towards the development of organizational human resources. Therefore, it has become the responsibility of the contemporary organization to design and implement training initiatives to enhance employee and organizational performances. Employees are a crucial resource for any organization and it is important to integrate and optimize their contributions to the organization's objectives. Hence, managers must ensure adequate supply of employees that are technically and socially competent, as well as capable of benefiting from career development programs into specialist departments or management positions (Afshan, Sobia, Kamran & Nasir, 2012). The importance of human resources is often questioned. However, the basis for these questions are unfounded as human resources are the intellectual properties which differentiates organizations from each other in similar industries and places them as an edge over their competitors (Aidah, 2013). DeGraft-Otoo (2012), asserts that the human resource of any organization is that which is expected to bring about the competitive difference, since the success or failure of an organization is dependent on the quality of this resource as well as its orientation. While equipment, infrastructure, methods of production, packaging and distribution strategies could all be copied by other competing organizations, the innate quality, innovativeness, knowledge, abilities and skills of the human resource cannot easily be copied. For employees to carry out their duties effectively and efficiently they must have relevant skills, knowledge, values, attitudes, competencies and understand their organization's culture. In the light of this fact, training of employees in every capacity has been identified to be one of the major ways to enhance the capacity of employees to produce desirable performances for both the employee and the organization. It is important that organizations assist their workforce in obtaining the necessary skills to ensure improved performance, employee engagement and reduced turnover rate. Therefore, training programs should be developed in such a way that it fits into the organization's structure as this will make organizations achieve their goals and objectives. In achieving this, adequate training measures must constantly be taken in ensuring that the employees are up to date with the technology and best practices relevant for meeting and surpassing the needs of their customers in order to have a competitive edge over their competitors. In the global context, organizations are judged on the basis of their turnover rate (Waleed, Amir, Rida, Rida & Sidra, 2013). This is because the rate of turnover affects the performance of the organization as whole. Therefore, retaining competent employees should be encouraged by providing a superior environment which includes enhancing their competence via training. Despite these positive effects of training, some scholars have argued different

y. For example Brum (2007), while acknowledging that training has been used extensively by organizations as a competitive strategy, notes that there is significant varying debates among professionals and scholars as to the effect that training has on both employee and organizational goals. One school of thought argues that training leads to an increase in turnover while the other states that training is a tool that can lead to higher levels of employee retention but regardless of the school of thought, most professionals agree that employee training is a complex human resource practice that can significantly impact a company's success. Publications and research studies emphasize the fact that training is very important in the current business world to remain relevant, but to the best knowledge of the researcher none analyses its effect on employee performance in a food and processing company. This is unfortunate, as they are key players in the manufacturing sector. The specific objectives for this study are to examine the effect of corporate training on employee intention to stay; identify the extent to which corporate training affects employee commitment and to investigate the effects of corporate training on employee retention.

II. Literature Review

Corporate Training

According to Boxall, Purcell and Wright (2007), all infants respond the same way when they are conceived, eventually they begin to learn self-centered mode of responses to their needs. After a while, they learn that the needs of others should also be considered. This buttresses the fact that training starts at cradle. In order for them to behave and perform in an acceptable manner and fashion, they must be taught or best put, trained. Training has existed from the inception of human being in different forms in the society. It is a medium to pass different skills from one generation to another. But with change in time, the magnitude of training has undergone sea change. Growth and development in technology has developed variety of methods and techniques in the way of training. These changes have added new dimensions to training and influenced the requirement of training. Training of human resource is carried out at macro and micro level. At macro level training is necessary for generating awareness among people on social issues, educating people and spreading literacy in society for giving people an opportunity to live a better life. Fajana, Owoyemi, Elegbede and Gbajumo-Sheriff (2011) defined training as a continuous procedure for obtaining specific information, increasing skills and learning concepts, rules or attitude in order to promote effectiveness on a particular job. When organizations conduct training exercises, in order to increase the knowledge capital of its employees, increase their skills as well as ensure effectiveness for the organization. There are expectations that accompany training from the view of the employees and employers such as skills acquisition and advancement in knowledge regarding the work which will consequently assist in solving some technical problems that arise from daily work activities and responsibilities. When an organization engages a planned process of inducing required attitudes and transmitting necessary skills in the workers it is referred to as training. Onwuadi (2012), supported the assertion by Fajana et al that, training is planned and a systematic process whereby workers attitude and skills are improved upon by re-orientating the employees on the goals and expectations within the organization. In this definition, emphasis is placed on the fact that employees must constantly be trained to ensure that they are aligned with the goals and objectives of the organization. This is very important because, the acquired skill presently might not be sufficient for a future project, hence the need for re-orientating the employees.

Employee Retention

In the industry, employee retention is a very critical issue that employers face as a result of skilled labor, economic growth and employee turnover. Griffeth and Hom (2001) reported that for valued employees to be retained turnover costs can run as high as 200 percent of the existing employees' salary depending on his skill. They defined employee retention as employers taking measures to ensure that employees remain in the organization for a maximum period of time. Organizations are making a start through a variety of innovative management approaches. Staffing and benefits solutions are being used to address employee attraction and retention. Better knowledge management systems are being created to stem the exodus of information. Training and development is gearing up to build new skills and knowledge. Marketing and branding are being used to build a positive image, and so on. All of this is needed. But none of this is going to be enough if employees do not see public organizations as good, satisfying places that they want to join, stay with, and contribute to in ways that help achieve organizational goals.

Intention to Stay

Intention is referred to as to "do special things or action with a special attitude, or with means, purpose, or plan in the individual heart" (Chen, 2014). Price and Mullar (1981 as cited in Mbah & Ikemefuna, 2012) stated that intention to stay was an estimated probability that an employee will continue to work in an organization. Besides that, it also refers to the employee's conscious and deliberate likelihood to work with the same organization (Tett & Meyer, 1993 as cited in Jonathan, Thibeli, & Darroux, 2013). Perceived organisational support (POS) holds that in order to meet socioemotional needs and to assess the benefits of increased work effort, emplo

employees form a general perception concerning the extent to which the organisation values their contributions and cares about their well-being (Eisenberger, Huntington, Hutchison & Sowa, 1986 as cited in Beheshtifar, Ali-Nezhad & Nekoie-Moghadam, 2012). To reciprocate the perceived support, employees would increase their performances, loyalties, and commitments towards the organisation (Kahumuza & Schlechter, 2008). Eventually, it leads to a positive outcome for the company because employees with high POS have better motivation in helping the organisation to achieve their goals as well as less likely to look for and accept alternative jobs (Allen, Shore & Griffeth, 2003; Arshadi, 2011).

Employee Commitment

Newstrom and Davies (2002) define employee commitment as the degree to which an employee identifies with the organization and wants to continue actively participating in it. Like a strong magnetic force attracting one metallic object to another, it is a measure of the employees' willingness to remain with a firm in the future. It often reflects the employees' belief in the mission and goals of the firm, willingness to expend effort in their accomplishment, and intentions to continue working there. Commitment is usually stronger among longer-term employees, those who have experienced personal success in the organization, and those working with a committed employee group. Owoyemi, Shadare, Ayim and Badejo (2012) investigated the effect of training on employees' commitment to the organization. A total of 150 respondents, which represents eighty five percent of the total population in the Discount House, participated in the survey. The empirical evidence suggests that the more training given to employees, the more committed they will be to the organization. This paper suggests that by adopting and increasing employees' training will not only be beneficial to employees, but also to the organization as a whole in the sense that it will give an organization a competitive edge over others in terms of performance. Afzaal, Mehkar and Adnan (2015) investigated the impact of training and development programs on the enhancement of employees' competencies as well as employees' intentions to leave the organization in the banking sector. Ongori and Agolla (2009) argue that lack of personal growth in organizations results in career plateau which in turn leads to increased employees' intentions to quit. Many employees find themselves in jobs that offer them limited mobility opportunities in terms of upward movement in the organization. Career plateau is thus seen as a major contributing factor to employees to quit in organizations. Human Resource professionals thus have a greater responsibility of managing career plateau and hence minimize employee turnover. According to Yoon, Duncan, Lee, Scarloss and Shapley (2007), plateau employees are likely to have higher labour turnover because they want to advance their careers elsewhere in the environment. Studies have shown that employees who have attained plateau have a high degree of intention to quit due to reduced opportunity in the present organization (Yamamoto, 2006). Mudor and Tooksoon (2011) revealed that supervision, job training, and pay practices are important attributes that could increase the job satisfaction which indirectly reduces the turnover intention of employees. They also stated that organisations should take into consideration job satisfaction and implement human resource practices in the workplace to reduce turnover and achieve organisational goals. These are likely to increase the intention of employees to stay in the industry. Owens (2006) had a similar finding in his study of training and organizational outcomes. Although Owens' study centered on the overall impact of training he was able to find a correlation between commitment and turnover. The study found that employees that had a higher level of commitment also had a higher level of "turnover cognitions". A higher score in "turnover cognitions" indicated that the employee had a more favourable attitude and was less likely to consider turnover. By applying the results of his survey to independent t-tests, Owens was able to determine that trained employees had a mean turnover cognition of 83.54 and organizational commitment of 83.54. In comparison, the untrained employees had a mean of 28.94 for turnover and 75.87 for commitment. These statistics are relevant as they are representative of the inverse relationship of commitment and turnover. By separating the trained and untrained employees, Owens was able to show that the more committed employees are, the less likely they will consider turnover. Green, Felsted, Mayhew and Pack (2000) found that commitment objectives decreased that probability of employees being "more likely to search" from 19 to 10 percent, and increased being in the "less likely to search" category from 15 to 26 percent. Much like the other studies identified above, this study shows that committed employees are more likely to remain with the organization. According to Hanaysha (2016) examined the effects of employee empowerment, teamwork and employee training on organizations commitment. He measured the degree of employee commitment appears through the loyalty and evidence of productivity at workplace. Those employees who feel committed to their organizations reveal higher identification to their values and goals. Therefore, a varied array of favourable behavioural outcomes have been associated with employee commitment such as employee retention, daily attendance, significant achievement, quality of work, and individual sacrifice to help an organization in improving its performance. Moreover, highly committed employees are marked by their greater support to the organization in order to reinforce its global success. However, to retain the employees in any organization, managers should provide facilitative and pleasant work environment and support them. It is also the main responsibility of the management to provide training programs about self-monitoring and the skills to improve the personality characteristics of employees through appropriate channels (Danish, Ramzan & Ahmad, 2013). Whether an employee decides to stay or to quit and feels satisfied or unsatisfied, the commitment to his/her supervisor would be considered as an important

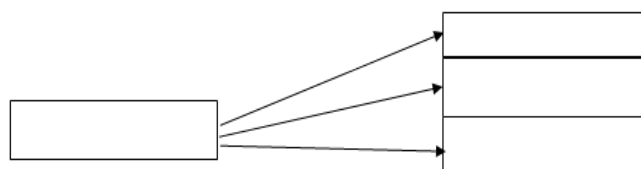
nt factor, in addition to his/her organizational commitment (Chen & Silverthorne, 2008). Based on these precedi ng studies, the following hypotheses are formulated in its alternate form:

H₁: Corporate training has an effect on employee intention to stay.

H₂: Corporate training has an effect on employee commitment.

H₃: Corporate training has an effect on employee retention.

Figure 1: Schematic Model of Hypothesized Relationships



III. Methods

Participants

The participants for the study consisted two hundred and twenty factory workers in the food processing industry. The sample was limited to the factory workers because they are directly involved with the production process and they possess a reasonable amount of insight regarding the intricacies of the production process. The study covered selected food processing industry in Ogun State, Nigeria. Questionnaires were administered to 220 respondents employed in Nigeria's food processing sector.

Measure

This questionnaire has three sections. First section is related to corporate training, Second section employee commitment, and the third, employee intention to stay, in relevance to employee's retention. The study adopted training scale from Aziz (2015), Kalkavan and Katrinli (2014). Research instruments used for employee retention contained items from Kyndt, Dochy, Michielsen and Moeyaert (2009) which was adopted. In this survey all 220 samples were received with 97.34% feedback. The Cronbach's Alpha reliability test indicating that the items in the questionnaire are positively correlated to one another at 0.817 which indicates high level of consistency. The samples were analysed using the multiple regression analysis.

IV. Results

The respondents were of working age (18 - 25 years 1.8%, 26-34 years 19.5%, 35-44 years 53.2%, 45 - 55 years 21.5% and 56 years and above 0.9%) and the gender distribution was 96.4% male and 3.6% female. Majority of the respondents (41.4%) had 11 - 15 years' experience, 38.2% had 7 -10 years' experience, 6.8% had 4 - 6 years' experience, 5.0% had less than a year experience and 5.9% had experience totalling 16 years and above. Based on the distribution of respondents by training in the last 12 months, 96.4% confirmed and 1.8% responded in the negative.

Table 1: Results of Regression

Hypothesis	Variables	R	R ²	F- Value	B	t-Stat	Significant/ Insignificant
H ₁	Employee Intention to Stay	.504	.255	71.694	0.599	8.467	0.000
H ₂	Employee Commitment	.440	.193	50.292	0.521	7.092	0.000
H ₃	Employee Retention	.516	.266	76.165	0.560	8.727	0.000

From table 1 above, it revealed that there is a relationship at R=0.504, R=0.440 and R=0.516 between corporate training and intention to stay, employee commitment and employee retention respectively. An examination of the table shows that the R square = .225, .193 and .266 respectively which implies that corporate training has a significant 22.5% effect on the intention of employees to remain in DUFIL, 19.3% effect on the commitment level of employees and a significant 26.6% on the retention rate of employees in DUFIL. From the results, the model in this table is statistically significant (Sig =.000). Therefore, corporate training has a significant effect on employee intention to stay, employee's commitment level and employee retention at F (1, 211)= 71.694, 50.292 and 76.165 respectively. Based on the results in the table above, the significant level for the items is less than 0.01 therefore we accept the alternative hypothesis and reject the null hypothesis. That is corporate training significant

cantly affects the intention of employees to stay, employees commitment and employees retention in an organization.

V. Discussion of Findings

The findings of this study are based on statistical data analyses and hypothesis testing. The descriptive analysis of data collected revealed that corporate training is a significant variable in determining the commitment of an employee and their intention to stay in the organization. Organizational equilibrium theory by March and Simon's states that employees who value acquiring new skills and polishing the existing one for their career growth may be more willing to work for an organization who equips them with well-run knowledge. In organizations skills can be polished or developed through trainings, this theory clearly shows that there could be direct or indirect effect of training on employee retention. Also, action theory attempts to explain how learning is regulated and how people can change their behaviour to dynamically meet objectives in normal and/or unusual situations in support of the findings from this study that corporate training affects the intention of employees to stay in an organization positively.

VI. Recommendations

This study recommends that management should make training and development policies that are applicable and accessible to all employees. Employees should be encouraged to take advantage of skill acquisition programs sponsored by the company. Supervisors should support the use techniques learnt in training that employees bring back to their jobs. Also employees with adequate training should be given preference for related assignments. Finally organizations must link training and development with their business strategy. Training is a long term investment in the skills of employees. Training is not a tool to polish current skills of employees but to prepare employees for future impacts from competitive forces. This kind of training boosts the commitment and employees think that organization is opening doors to our success. This sense eliminates the thoughts of intentions to quit from employees mind and force them to remain.

VII. Suggestions for Further Studies

A research similar to it can be carried out in other organizations so as to ascertain the applicability of the research findings in other contexts. In addition, further research can be carried out using organizations in other geopolitical zones and also, research could be carried out using more than one organization as a study.

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