



EDUCATION AND TRAINING AS A STRATEGY FOR EMPLOYEE RETENTION

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ABSTRACT

Value requirements for customer satisfaction can be fulfilled only by efficient and effective human resources. Human resources refer to employees with necessary skills, knowledge, ability, etc. are detrimental in accomplishing objectives of jobs. Human resources development is a mandatory function of the organization that realizes these necessary human resources. Retaining these human resources are critical for realizing various objectives of the organization. Education and training are necessary for organisational growth and development. These are made the essential elements in the criterion for various quality awards in the world. It is considered as one of the significant pillars of TQM. One of the crucial factors in successful implementation of TQM is Education and Training. MSMEs play critical role in the economic development of a country. Quality management of these MSMEs is would be critical for their stability. The aim of the paper is to examine the level of Education and Training against employee retention at MSMEs of Ballari, Karnataka. The universe comprised executive and non executive workforce of the firm. Sampling was carried out using convenient sampling technique with sample size of 50 in line with the Cochran formula. Data was collected using observation and informal interview methods. Descriptive statistics and Chi-square test was used to analyse the data. The research envisaged that all the factors of Education and Training are associated with customer loyalty at the MSMEs. The study revealed that, diversified training and effective education and training policy aspects at the MSMEs has significant influence on employee retention at the firms.

KEYWORDS: Education and Training, Factors of Education and Training, employee retention, etc.

I. INTRODUCTION

Delighting the customer is the ultimate level of objective in customer satisfaction. Customer delightment doesn't limit itself in market positioning but also converts a nominal customer into a loyal customer. Therefore, deducing customer satisfaction into value requirements and realizing them is the strategic project of a firm. Value requirements can be fulfilled only by efficient and effective human resources. Education and training are necessary for organisational growth and development. These are made the essential elements in the criterion for various quality awards in the world. It is considered as one of the significant pillars of TQM (Crosby 1979). Training should be imparted to allow the employees attain higher skills. It should include techniques such as Statistical methods, Managerial skills, Technical skills etc. (Sun Hui et al. 2000). An organisation needs to regularise organising quality training programmes to create the quality awareness and significance among employees (Palo and Padhi,

2003). Training for both managers and workers is an imperative component of a process for prevention of errors (Kanji 2002). The training must be allied to customer expectations and process improvement, for which it must be planned and reviewed consistently for its effectiveness (Okland, 1993). Training programmes should not be stand-alone, instead they must be strategically in line with performance evaluations based on the outcomes of the quality (Your Stone, 1998).

The study on quality management system of the firm would help the MSMEs of the region to know the findings and adopt necessary changes or practices in their quality management system.

Based on the emphasised significance of Education and Training in incepting TQM in the previous studies, the following practices were considered in the design of the questionnaire in order to examine the level of Education and Training at the MSMEs under study.

**Table showing Education and Training (ET) items used in the study**

A	Effective education and training Policy: Have an effective education and training policy.
B	Interdisciplinary interaction: Encourages interdisciplinary interactions and knowledge sharing.
C	Regular training on quality: Regularly trains employees on Quality management, TQM, ISO9001, and the like.
D	Diversified Training: Imparts different kinds of training to different classes of employees regularly and effectively.

Employee Retention

Objective measurement of performance helps ramification of the future strategies of a firm. Organizational excellence is determined by measuring the holistic performance of an entity. But, when it comes to its measurement, performance has gradually gained more objectivity sense. Therefore new methods of reporting performance is gaining significance these days. Employee Performance is one such performance measure targeting economy of the firm in any processing systems of the organization. Therefore, major employee performance factor employee retention is used in the study.

Problem Statement

Quality and quality management are quite necessary elements any organization shall have to practice. As per the current and previous studies on quality management, among quality management practices, Education and Training has been playing crucial role in influencing quality and other practices quality management in the organization. What would be in case of MSMEs? And how it would be in MSMEs? Especially at non metros, are the inquisitive corners need to be pondered. Therefore,

Table-1 Chi-square Test for association of Education and Training with employee retention

Association	P-Value	X^2	Accept/Reject Ho
Education and Training and employee retention	0.00	21.9	Reject
Sub Components of Education and Training			
Effective education and training Policy	0.000	21.5	Reject
Interdisciplinary interaction	0.007	14.3	Reject
Regular training on quality	0.000	15.4	Reject
Diversified Training	0.005	22.4	Reject

The table indicates that, p value is less than 0.05. Therefore we reject null hypothesis that is it is found that there is an association of Education and Training with customer retention at the firms.

the current study tries to explore and describe the nature of Education and Training and its influence in terms of employee retention under the study.

Hypotheses

H0: There is no association of Education and Training on employee retention.

H1: There is an association of Education and Training on employee retention.

II. METHODOLOGY

Type of the Study: Descriptive-Survey research

Population: MSMEs of Ballari

Sample Size: 50 as per Cochran formula

Sampling Technique: Convenient Sampling

Data Collection Instrument: Visit observation, interaction, informal interview, etc.

Data analysis and Hypothesis Testing: Descriptive and Inferential statistics, Chi-square Test and Freedman test

III. RESULTS

As per central limit theorem, distribution of data is normal. In order to test research hypothesis, Chi-square - test was used.

The following table ranks the factors of Education and Training as per Friedman's Test

Table-2 Ranking of factors of Education and Training

Factors of Education and Training	Priorities
Effective education and training Policy	2 nd
Interdisciplinary interaction	4 th
Regular training on quality	3 rd
Diversified Training	1 st

Table indicates that diversified training and regular training on quality aspects at the MSMEs has

significant influence on employee retention of the firms.

IV. DISCUSSION

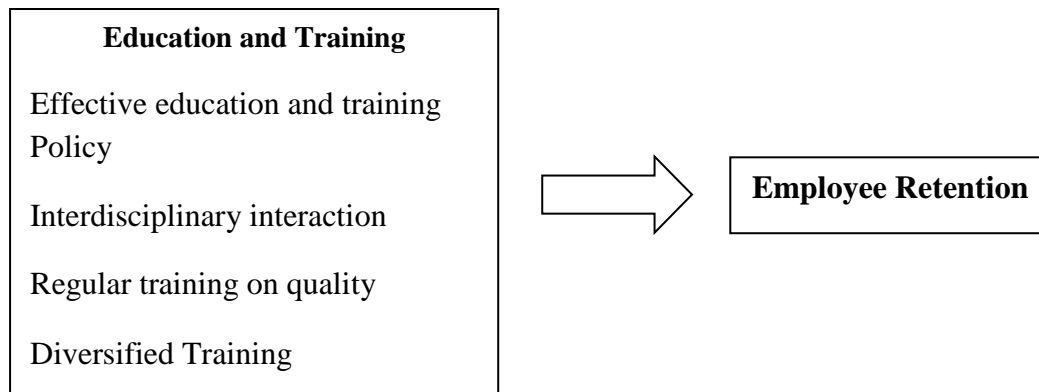


Fig: Model representing the association of Education and Training and Employee Retention

Significance of Education and Training on Employee Retention

Value requirements for customer satisfaction can be fulfilled only by efficient and effective human resources. Human resources refer to employees with necessary skills, knowledge, ability, etc. are detrimental in accomplishing objectives of jobs. Human resources development is a mandatory function of the organization that realizes these necessary human resources. Retaining these human resources are critical for realizing various objectives of the organization. Education and training are necessary for organisational growth and development. These are made the essential elements in the criterion for various quality awards in the world. It is considered as one of the significant pillars of TQM. Training should be imparted to allow the employees attain higher skills. It should include techniques such as Statistical methods, Managerial skills, Technical skills etc. An organisation needs to regularise organising quality training programmes to create the quality awareness and significance among employees. This study is also showing significant relationship with employee retention at the MSMEs. All the identified factors of Education and Training are found critical with employee retention. However diversified training and effective education and training policy at the MSMEs has significant influence on the employee retention at the firms.

Significance of diversified training on Employee retention

Effective human resource development programs proved to replenish the necessary human resources and realize effective deliver of values with aspired organizational benefits such as profit and market share. The study identified that diversified training of employees on various trades of firm has significant influence on the employee retention of the firms.

Significance of Effective Education and Training Policy on Employee Retention

Adding quality element in all the processes and personnel of the firm revealed exponential benefits to the organization. The current study found out that regular training of employees on Quality management, TQM, ISO9001, and the like has significant influence on the employee retention at the firms. Therefore, effective policy in education and training would leverage employee retention.

V. CONCLUSION

Value requirements for customer satisfaction can be fulfilled only by efficient and effective human resources. Human resources refer to employees with necessary skills, knowledge, ability, etc. are detrimental in accomplishing objectives of jobs. Human resources development is a mandatory function of the organization that realizes these necessary human resources. Retaining these human resources are critical for realizing various objectives of the organization. Education and training are necessary for organisational growth and development. These are made the essential elements in the criterion for various quality awards in the world. It is considered as one of the significant pillars of TQM. Training should be imparted to allow the employees attain higher skills. It should include techniques such as Statistical methods, Managerial skills, Technical skills etc. An organisation needs to regularise organising quality training programmes to create the quality awareness and significance among employees. This study is also showing significant relationship with employee retention at the MSMEs. All the identified factors of Education and Training are found critical with employee retention. However, diversified training and regular training on quality aspects at the MSMEs has significant influence on the employee retention.



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