



A Study On The Influence Of Training Opportunities And Compensation On Employee Retention In An Organization

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Abstract: Employee Retention is a Critical Factor Influencing Organizational Success and Stability. This Study Examines the Impact of Training Opportunities and Compensation on Employee Retention Within an Organization. By Exploring How Professional Development Initiatives and Financial Rewards Affect Employees' Decisions to Remain with Their Employer, The Research aims to Identify Key Drivers of Loyalty and Long-Term Engagement. Using a Combination of Quantitative Surveys and Qualitative Interviews, The Study Assesses Employee Perceptions, Satisfaction Levels, and Turnover Intentions. Findings Highlight That Well-Structured Training Programs Significantly Enhance Employees' Skills and Career Growth Prospects, Leading to Higher Retention Rates. Similarly, Competitive and Fair Compensation Packages Play a Vital Role in Fostering Employee Commitment. The Study Concludes with Recommendations for HR Practices that Integrate Continuous Learning and Equitable Compensation Strategies to Build a Motivated and Stable Workforce.

Index Terms – Employee Retention, Training Sessions, Loyalty, HR practices

I. INTRODUCTION

In this competitive world, all organizations are fight to attract candidate and retain their skilled employees. Retaining skilled and experiences employees helps the organization not only in reducing recruitment and training cost but also in contributes to organizational stability, productivity, and overall success. With so many opportunities available, talented individuals are constantly on the lookout for value them but also invest in their growth and reward their efforts and hard work fairly. The two biggest factors that influences whether employees stay or leave are the chances they get to develop their skill and the compensation they receive for their work. An organization with rapid technological advancement and evolving customer expectations, the needs for a stable, motivated and future-ready workforce has been more important for the Organizations success. This project dives into understanding how training opportunities and compensation impact employee retention within an organization. It looks at why people choose to stay loyal to the organization and why they decide to leave the company. By exploring these connections, the goal is to help the organizations to build better environment where employees feel supported, motivated, and fairly treated. And also highlights the key drives of retention and offer recommendations for building a more engaged and loyal workforce. Understanding these dynamics is essential not for organization's continued success but also for setting a benchmark in the automotive sector where human capital remains the true engine of growth.

EMPLOYEE RETENTION:

Employee retention refers to the policies and procedures put in place to guarantee that workers will remain with a company for the long run. Employees put up a lot of work and expect reciprocity from the company, and the hiring process is complex. To guarantee that employees have the same degree of experience as their existing colleagues, organizations invest in training and development initiatives.

Employees must work in a peaceful, healthy atmosphere in order to deliver the best possible service. Organizations must maintain a stable financial status in order to provide a safe and secure environment since poor work conditions and negative financial situations may cause employees to leave. The retention of employees involves a variety of methods used to guarantee their sustained loyalty to the company.

IMPORTANCE OF EMPLOYEE RETENTION:

Nowadays, companies are extremely focused on keeping their employees. It is the responsibility of management and human resources personnel to respond quickly when a competent worker expresses a want to quit and to determine the specific causes that have impacted this choice. The benefits of employee retention as follows:

- **Hiring is a challenging procedure.**

From a large pool of brilliant individuals, the human resources professional chooses a chosen few, conducts initial screenings, and then forwards the candidates to the various department managers, who conduct additional evaluations to ascertain their fit for the company.

Finding the right candidate to hire is a difficult and time-consuming process.

- **Time and financial investments:**

The management must work hard to train a new hire for their overall development because they are inexperienced. The sudden exit of an employee from a company is a complete waste of time and money. The Human Resources department has to start the hiring process over for the same position, which is a huge waste of time.

- **Employee transition to competitors**

Employees in that situation frequently carry over all of the plans and rules from their previous company to the new one. In addition to transferring important data, information, and statistics to their new company, people can even reveal private information about their previous employer. To avoid these situations, it is essential that the newly recruited person sign a contract that forbids them from sharing any knowledge, even after they have left the company.

Implementing a strict policy that forbids employees from joining rival companies is necessary.

- **Retaining employees for long period**

Employees with longer tenure often perform better than those who switch employment frequently. Because they have worked for the company for a long time, they have strong institutional knowledge, which makes it possible for them to contribute significantly and more successfully.

- **Loyalty towards management.**

Many benefits are provided by the firm to its employees, which in turn strengthens their bond with it. The staff often supports the management and rarely ever exposes their company.

Above everything things, they put the organization first.

BENEFITS OF EMPLOYEE RETENTION:

Every firm must acknowledge that its employees are its most precious resource. Any business would have serious problems if it didn't have skilled workers. Therefore, an organization's assets are maintained when existing employees are retained. The expense of replacing lost talent can be substantial, accounting for between 70 and 200 percent of an employee's pay. Because there are several steps involved in the process, replacing a departing employee is extremely costly. Advertising is the first step in the process, which is then followed by hiring, orientation, training, and retention. The competitor has a big advantage when an employee leaves the firm and joins a rival company since they don't have to spend as much time or money on training. Every competitor is closely watching each other's skilled workers.

Even while this conduct can seem ethically suspicious, it always happens frequently.

For some businesses, staff retention is especially important for this reason.

EMPLOYEE RETENTION FACTORS:

- **Brand name:**

Productivity and job satisfaction depend heavily on employee autonomy and power in overseeing work operations. Workers place a high value on the company's reputation, which inspires loyalty and respect. The dignity of the institution inspires confidence and security, which boosts dedication. Higher retention is the outcome of employees' basic desire to create future goals inside the company. Strong brand recognition and a well-established social presence also motivate staff to stick with a firm for the benefit of their own prospects in the future.

- **Policy of wages:**

A company's pay plan definitely attracts employees. Many employees expect the company's monetary rewards and social safety measures. The implementation of a grade system for wages and a uniform pay structure with clear performance requirements is necessary to retain staff at all organizational levels. Employees are inherently aware of the compensation range for each role as well as the additional perks provided by the business or organization. Establishing a systematic wage plan, updating pay scales often at appropriate intervals, providing additional allowances, and praising exceptional performance will undoubtedly attract and retain more personnel.

- **CAREER DEVELOPMENT SCHEMES**

A key component that includes a person's continuous advancement, professional development, and advancement within a company is the career progression plan. Every worker expects to improve in their profession through promotions, grade increases, and moving up to a higher category or grade to pursue their hobbies. After five, ten, or fifteen years of service, employees will automatically be promoted to the next higher pay grade or level in accordance with the policy. This is intended to improve job satisfaction and will have financial benefits. Employer turnover will be decreased and seasoned workers will remain with the firm for its advancement if a systematic promotion and career progression program is put in place.

- **Social safe guard:**

Social Security protections must be implemented by each firm for the benefit of its employees. Employees will have much more stability in society if comprehensive employee welfare programs, health plans, group insurance policies, bonuses, gratuity, incentives, and rewards are implemented. This will also lessen the possibility that they will leave the firm. Retention within a company or organization is significantly increased by the efficient implementation of suitable social security measures.

- **Organizational culture**

The culture of the company has a significant impact on staff retention and satisfaction. Organizations must have a defined goal, purpose, vision, and values before they can execute changes. Culture evolves slowly and needs to be purposefully changed. In order to create a welcoming and orderly workplace, employees should have conversations regarding the culture. Long-term happiness as well as retention are promoted by a healthy company culture.

- **Terminal benefits:**

By ensuring future financial stability, providing terminal benefits at the completion of an employee's employment will offer an extra benefit. To guarantee a peaceful post-retirement existence, each employee should expect to receive a specific sum of money upon finishing their employment. Nonetheless, companies are required by law to pay employee gratuities and pension funds. Additionally, this could lead to employee retention.

Training opportunities:

Training opportunities plays vital role in the retention of employees as well as the success of the organization through updating the knowledge of the manpower and it also helps the personnels to develop their career to next stage. The career development of the skilled employee helps the organization to be more competitive and successful among their competitors by operating with high skilled employees.

Training helps the organization to motive their employees to work more productively and organizations conduct training sessions to make their employees being more updated for the betterment of the organization.

REWARDS AND BENEFITS:

Rewards:

Rewards are the incentives which are given to the employees to recognize them for their performance, contributions and achievements. Rewards can be financial (like bonus, salary incentives) or non- financial (like recognition, promotions and awards). The main goal of the rewards is to motivate the employees, boost productivity, and encourage desire behaviors.

Benefits:

Benefits are the additional form of compensations provided by the employees beyond their regular salary and wages. Benefits often include Health insurance, Retirement plans, paid off and other breaks and other perks designed to enhance employee wellbeing and job satisfaction.

2.1 NEED FOR THE STUDY

The need for this study is imperative as organizations today face significant challenges in retaining their workforce. With high turnover costs, changing employee expectations, and increasing competition for talent, this research will provide valuable insights into effective strategies that can enhance employee retention, improve organizational performance, and foster long-term success. Moreover, it will contribute to the broader understanding of employee needs, motivations, and how organizations can adapt to meet these demands.

2.2 OBJECTIVES OF THE STUDY

PRIMARY OBJECTIVE

To study the influence of training opportunities and compensation on employee retention in an organization.

SECONDARY OBJECTIVE

- To explore the influence of training on employee retention.
- To find the impact of employee engagement in workplace.
- To understand how competitive compensation impacts employee satisfaction and loyalty.
- To evaluate the effect of promotion and recognition on employee retention.

2.3 SCOPE OF THE STUDY

This study examines the impact of various employee retention strategies in organization. It deals with the overall performance and sustainability of organization, employee performance, motivation, appreciation and other factors. The research delimits itself to an organizational perspective, keys of retention strategies such as compensation, career development programs, work- life balance, effective internal communications etc. It also deals with the external factors like economic fluctuations and other factors which may affects the employee retention. This study aims to provide actionable insights and recommendations that can guide policy formulation and enhance human resource practice within the organization.

2.4 REVIEW OF LITERATURE

- **Evaluating HRM Practices for Embracing the Digital Circular Economy in Indian Manufacturing Firms: An Analytical Study (Singh, R., Joshi, A., Raghuveer, K., Kumar, V.) 2025** - This study examines the impact of HRM practices on adopting digital circular economy models in Indian manufacturing firms. It identifies gaps in current HRM practices and their influence on firm performance, emphasizing the need for alignment with sustainability goals.
- **Strategies for Employee Retention in High Turnover Sectors: An Empirical Investigation (Dr. Rana Zehra Masood) 2024** This study explores retention strategies across various generational c, organizational sizes, and cultural contexts. It emphasizes tailoring strategies to meet diverse workforce needs, highlighting the importance of professional development, flexible working hours, and health and wellness programs.
- **Employee retention strategies a comparative study of selected manufacturing and it firms (Srikanta H.N) 2021** - The study examines the impact of retention strategies on employees in manufacturing and IT firms. Eight strategies are considered: compensation, performance appraisal system, career development, motivation, job satisfaction, morale, team building, and exit interviews. The results suggest compensation, career development, employer-employee relationship, and job satisfaction are crucial.

3.1 RESEARCH METHODOLOGY

According to C.R. Kothari, research methodology is the systematic way to solve research problems, encompassing the methods and techniques used to conduct research, including defining problems, formulating hypotheses, collecting data, analyzing facts, and drawing conclusions.

Research design:

The research design is a specification of methods and procedures for acquiring the information needed. It is the overall operational pattern or framework of the project from which sources by what procedures. The type of research design adopted in this study is DESCRIPTIVE RESEARCH.

Descriptive research

Descriptive research includes surveys and fact-finding enquiries of different kinds and it can report only what has happened. The purpose of the research is description of the state of affairs as it exists at present. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the question who, what, when, where and how.

A descriptive study is undertaken in order to ascertain and able to describe the organization constantly engaged themselves in studying and analyzing issues and hence are involved in some form of research activity as they make decisions at the work place.

Research process:

It is the systematic way a researcher approaches their area of study to produce knowledge which the community will consider to be worthwhile within the field. The research process is a series of steps that need to be undertaken to carry out any piece of research.

3.2 Sampling

Sampling is the process of selecting a representative group from the population under study. The target population is the total group of individuals from which the sample might be drawn. A sample is the group of people who take part in the investigation the sampling method used in this study is NON-PROBABILITY SAMPLING.

Non-probability sampling

Convenience sampling a type of non-probability sampling that involves the sample drawn the part of population is close the hand. This type sampling most for pilot testing. Sampling also known grab sampling availability sampling are no other criteria the sampling method except that people available and willing.

Sample size and population

Responses the research was collected from employees of the organization, since the population unknown pilot study was conducted consisting respondents from which the value a value were identified the sample size was determined using the De morgan's table.

For the population of the study is 608. Therefore, the sample size for the study is 236.

3.3 Data and Sources of Data

Data collection is a systematic approach to gathering information from a variety of sets of a complete and accurate picture of an area of interest. In this study responses are collected through two different sources.

Primary data collection

Primary data collection is the process of gathering data directly from a first and source. In this study, primary data is collected through questionnaire. the data that has not been previously established and is derived from a new or original research study and collected at the source search as in marketing. Primary data collection methods include survey, interview, observation and focus group.

Secondary data collection:

Secondary data is the data which is already collected and used by someone previously and which have been passed through statistical process. Here, we use secondary data obtained from Research publications and journals.

3.4 Statistical tools

This section elaborates the proper statistical/econometric/financial models which are being used to forward the study from data towards inferences. The detail of methodology is given as follows:

3.4.1 Normality test

The Kolmogorov – Smirnov test of normality was conducted and it is found that the data deviates from normal distribution. So, the non-parametric tools and tests were used.

Research tools

Research tools can be defined as the instrument in the hands of researchers to measure what they indent to in their study. The collected data has been analyzed by the following statistical tool:

- Kruskal-Wallis H-test
- Mann-Whitney U Test.
- Correlation

3.4.2 Percentage (%) analysis:

PERCENTAGE (%) analysis is a statistical tool used to interpret data by expressing numbers as PERCENTAGE (%) s of a whole. It is a method of expressing numbers or data as a fraction of 100. It converts raw numbers into PERCENTAGE (%), making it easier to understand and compare different values, especially when dealing with large datasets or when you want to see the proportion of parts relative to the whole. It's commonly used in surveys, financial reports, and research studies to make comparisons clearer and more meaningful.

$$\text{Percentage} = \frac{\text{Actual number}}{\text{Total number}} \times 100$$

3.4.2 KRUSKAL-WALLI'S H-TEST

The Kruskal-Wallis H test, also known simply as the Kruskal-Wallis's test, is a nonparametric statistical test used to determine whether there are statistically significant differences among the medians of three or more independent groups. It is used when the assumptions of normality and homogeneity of variances, which are required for parametric tests like ANOVA, are not met. the formula for calculating the Kruskal-Wallis H statistic:

$$\chi^2 = \frac{12 \sum \left(\frac{R_i^2}{n_i} \right)}{N(N+1)} - 3(N+1)$$

Where:

R = Sum of rank of each group

N = Total number of observations

n = Number of observations in each group

k = Number of groups

3.2.3 MANN WHITNEY U TEST

The Mann-Whitney U test is a non-parametric statistical test used to compare differences between two independent groups when the data is not normally distributed. The Mann-Whitney U Test is used to determine whether there is a statistically significant difference between two independent groups on a continuous or ordinal variable. It is an alternative to the independent samples t-test, especially when the data does not meet the assumption of normality. Instead of comparing means (like a t-test), it compares the ranks of the values. The formula for calculating the Mann-Whitney U test statistic U is:

$$U = \min(U1, U2)$$

Where:

U1 is the sum of ranks for one of the groups.

U2 is the sum of ranks for the other group.

3.2.4 SPEARMAN'S RANK CORRELATION

Spearman's Rank Correlation Coefficient (often denoted as ρ or r_s) is a non-parametric measure that evaluates how well the relationship between two variables can be described using a monotonic function. It measures the strength and direction of association between two ranked variables. It helps to determine whether an increase in one variable corresponds to an increase or decrease in another variable based on their ranks.

$$\rho = 1 - \frac{(6 \sum di^2)}{(n(n^2 - 1))}$$

Where

ρ = Spearman's rank correlation coefficient

di = difference between ranks

n = sample size

IV. RESULTS AND DISCUSSION

3.1 Results of NORMALITY

Hypothesis

H0: The data follows normal distribution

H1: The data does not follow normal distribution

3.1.1 TABLE SHOWING TEST OF NORMALITY

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Effect of training & development programmes	.175	236	.000	.946	236	.000
Effect of compensation	.227	236	.000	.894	236	.000
Effect of recognition practices	.192	236	.000	.945	236	.000
Effect of employee satisfaction	.141	236	.000	.960	236	.000
Effect of employee engagement	.104	236	.000	.968	236	.000

a. Lilliefors Significance Correction

Table No. 01 Test of Normality

INFERENCE

The Kolmogorov-Smirnov test for normality was conducted on the sample data, and it is found that the significance value (P value) is less than 0.05 i.e., $P < 0.05$. Therefore, the null hypothesis that the sample follows a normal distribution was rejected. The alternative hypothesis is accepted. The sample data deviates from the normal distribution.

3.1.2 Result of MANN WHITNEY U TEST

	Effect of training & development programmes	Effect of compensation	Effect of recognition practices	Effect of employee satisfaction	Effect of employee engagement
Mann-Whitney U	6152.000	5862.500	6024.000	4739.500	6427.500
Wilcoxon W	16737.000	16447.500	10210.000	15324.500	10613.500
Z	-.888	-1.470	-1.149	-3.697	-.336
Asymp. Sig. (2-tailed)	.375	.142	.251	.000	.737

Table No. 02 Table of Mann Whitney U Test

Hypothesis

H0: There is no significant difference between the gender of the candidates with respect to the variable effects of training and development programs, effect of compensation, effects of recognition practices, effect of employee satisfaction and effect of employee engagement.

H1: There is a significant difference between the gender of the candidates with respect to the variables of training and development programs, effect of compensation, effects of recognition practices, effect of employee satisfaction and effect of employee engagement.

3.1.3 Result of KRUSKAL WALLIS H TEST

	Effect of training & development programmes	Effect of compensation	Effect of recognition practices	Effect of employee satisfaction	Effect of employee engagement
Chi-Square	16.894	2.793	2.501	7.269	7.298
Df	3	3	3	3	3
Asymp. Sig.	.001	.425	.475	.064	.063

Table No 03 Table of Kruskal Wallis H test

Hypothesis

H0: There is no significant difference between the mean rank of the candidate's age with respect to the variable's Effect of training & development programs, compensation, Recognition practices, Employee satisfaction and employee engagement.

H1: There is a significant difference between the mean rank of the candidate's age with respect to the variable's Effect of training & development programs, compensation, Recognition practices, Employee satisfaction and employee engagement.

INFERENCE

The Kruskal Wallis H test was conducted on the sample data, and it is found that the significance value (P value) for the variable's Effect of training & development programs, Effect of compensation, Effect of Recognition practices, Employee satisfaction and employee engagement, p value is more than 0.05 i.e., $P > 0.05$. So the null hypothesis H_0 is accepted. Hence There is no significant difference between the mean rank of the position applied for with respect to the variables Effect of training & development programs, Effect of compensation, Effect of Recognition practices, Employee satisfaction and employee engagement.

3.2 SUGGESTIONS

- The company introduces a mentoring system where junior staff is paired with senior employees to create more open communication channels.
- The organization has to provide training to ensure all staff understands which communication channels are appropriate for various message types.
- The most important factor encouraging employees to stay (32%), Uno Minda should strengthen clear career progression paths, offer frequent promotions, and expand skill development programs to retain talent, especially the younger workforce (21–30 years old group, which is the majority).
- Training programs are generally well-received; they should be made more personalized and department-specific. Emphasizing leadership development and mentorship programs will help employee feels more motivated.
- The organization has to introduce regular performance reviews that include two-way feedback for the access the effectiveness of training programs.
- The organization has set up cross-functional teams to work on strategic projects to be more effective and updated.
- Compensation is mostly seen as fair; salary satisfaction levels indicate room for improvement. Organization should regularly benchmark salaries against the market and offer performance-linked incentives. Introducing flexible bonuses and profit-sharing could significantly boost motivation and retention.

3.3 CONCLUSION

The study highlights that training opportunities and compensation significantly impact employee retention at UNO Minda Ltd., although their influence varies when segmented by gender and other demographic groups. The Mann-Whitney U Test results show no significant difference between genders regarding the perceived effect of training, compensation, recognition, and engagement, except for employee satisfaction, where a significant difference was observed ($p = 0.000$). This suggests that male and female employees may have differing levels of satisfaction that influence their retention differently. The Kruskal-Wallis H Test further indicates that training and development programs have a statistically significant impact across different employee groups ($p = 0.001$), while the effects of compensation, recognition practices, and employee engagement are not statistically significant across groups. However, the p-values for employee satisfaction and engagement are close to significance ($p = 0.064$ and $p = 0.063$ respectively), indicating that with a larger sample size or more focused study, they might show stronger effects.

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