

# Exploring the Impact of Training on Executive Employees Retention in a Selected Public Bank in Colombo District, Sri Lanka

**A. Gamage**

Department of Human Resources Management

University of Sri Jayewardenepura

[arunigamage1007@gmail.com](mailto:arunigamage1007@gmail.com)

**D. Thalgaswatta**

Department of Human Resources Management

University of Sri Jayewardenepura

[dthalgaswatta@gmail.com](mailto:dthalgaswatta@gmail.com)

## ABSTRACT

This research investigates whether training impacts executive employee retention in a selected public bank in the Colombo District, Sri Lanka. However, prior research in this area is limited, and this study aims to fill this gap. The research problem of the study is “Does Training impact executive employee retention in a selected public bank in Colombo district, Sri Lanka?” The objectives of the study are to identify the training impact on executive employee retention, to determine the training need assessment impact on executive employee retention, to examine the training contents and delivery approaches impact on executive employee retention, and to analyse training evaluation impact on executive employee retention in a selected public bank in Colombo district, Sri Lanka. According to that, a well-structured questionnaire featuring 46 statements rated on a five-point Likert scale was used to gather data from a sample of executive employees. Statistical analyses using SPSS version 23 were conducted using univariate and bivariate methods. It was evident that there are highly significant positive impacts from training, training needs assessment, training content and delivery approach, and training evaluation on employee retention. The study aims to provide valuable insights into the effectiveness of training programs in retaining executive talent in this specific Sri Lankan public bank. The practical implications for HR strategies and talent management within the banking industry are also discussed.

**Keywords - Employee Retention, Public Bank, Training**

## INTRODUCTION

The public banking sector in Sri Lanka plays a critical role in the nation's economy and has managed to navigate economic fluctuations effectively (Bhowmick, 2022). With technological advancements, the sector has expanded its range of services, highlighting its adaptability to changing customer needs. To succeed in this dynamic environment, effective management of human resources is essential, recognizing the challenge of managing this crucial asset (schroeder, 2002).

Retaining top talent in the sector depends on several human resource management procedures, such as employee training, internal promotions, bonuses, and workplace improvements (Khawaja Jehanzeb, 2018). Employee training is crucial to employee retention and is vital for retaining top talent (Flippo, 2017). Despite the existing body of research, there is still a gap in understanding how training affects executive employee retention in Sri Lankan public banks.

The study seeks to identify the impact of training on executive employee retention in a selected public bank in the Colombo district of Sri Lanka. The study's objectives include to (1) identifying the training impact on executive employee retention, (2) determining the impact of training need assessment on executive employee retention, (3) examining the impact of training contents and delivery approaches on executive employee retention, and (4) analysing the impact of training evaluation on executive employee retention.

### **Problem Background of the Study**

Retaining employees is crucial for businesses as hiring and onboarding new personnel can be both financially and non-financially expensive. This is supported by several studies, including Keusahawan et al. (2018). High employee turnover can hamper the efficiency of industries like banking, as stated by (Hareth, 2020). Past research in the banking sector of Bangladesh (Akther, 2020), and the Pakistani banking industry has shown that employee training programs have a positive impact on retention. According to Sharif (2018) Employee retention is a significant challenge for organisations, as it plays a crucial role in their overall performance and success.

There has been a lot of research conducted in the banking industry, mostly in Western countries. However, there is a lack of empirical evidence about how training affects the retention of executive employees in public banks within Sri Lanka's Colombo district. This highlights a noticeable gap in both empirical evidence and methodology, especially in the public banking sector. "Does training impact on executive employee retention in a selected public bank in Colombo district, Sri Lanka?"

## **LITERATURE REVIEW**

### **1. Social learning theory**

Employees can acquire new skills and knowledge by observing and working with colleagues they trust and consider to be more competent.(Bratton & Gold, 2012). The theory proposes that self-efficacy and capability impact training and learning, influenced by instigation, oral conversion, logical confirmation, and examination of others.

### **2. Reinforcement theory**

This theory states that training is a crucial element in making employment more appealing to employees. It also serves as a pathway for workers to enhance their skills and maximize their performance. This, in turn, can lead to the promotion of workers who have demonstrated outstanding performance, innovation, and creativity as a result of the training they have attended.(Haider & Akbar, 2017).

### **3.The resource-based view**

This theory explains the firm approved that an organisation could earn a competitive advantage by attracting and retaining qualified workers and determining compatible training for them that will keep enhancing their competence for maximum performance (Barney, 2001). Depending upon the effectiveness of training and learning relies on the instruction of the employment-related knowledge, skills, capability, competencies, and actions that are significant for high performance, which constantly can affect organisational success.

## **Training**

Training is the process of supplying individuals in Human Resource jobs or employees within a company with education, skill development, and knowledge augmentation to improve their Human Resource related competencies (Noe, 2019).

## **Dimensions of Training**

Training encompasses multiple dimensions, with Falletta (1998) identifying four key aspects: trainees' reactions to the program (reaction), knowledge or skill acquisition (learning), behavior change (behavior), and tangible improvements in individual or organizational outcomes (results). On the other hand, Otuko (2013) outlined three dimensions of training: training needs assessment, training contents, and delivery approaches, and training evaluation.

Training needs assessment involves comprehensively evaluating the professional environment, considering factors like business plans, work environment, culture, performance capabilities, and employee personalities. Training contents and delivery approaches pertain to defining training objectives and selecting suitable methods to convey specific skills and knowledge to trainees. Lastly, training evaluation, the final step in the training process, is a complex yet vital aspect that requires systematic assessment of training efforts to measure effectiveness, identify areas for improvement, and determine the return on investment (ROI) of training programs (Humphrey et al., 2013). These dimensions are crucial for designing, delivering, and evaluating effective training programs.

## **Employee Retention**

Employee retention refers to an organization's ability to keep its employees. It is a process that motivates and encourages resources to stay with the company for a longer period, ensuring the organization's survival. Employee retention refers to an organization's ability to keep its employees. It is a process that motivates and encourages resources to stay with the company for a longer period, ensuring the organization's survival. (Ulhas et al., 2019).

Employee retention is a business management term referring to retaining (enhancing the intention to stay) in the workforce (Ghosh et al., 2013).

## **Dimensions of Employee Retention**

Employee retention is a crucial facet of human resources, and Singh et al. (2015) identified four key dimensions impacting it. "Work-life balance" is the first dimension, linked to employee retention by Carr, Greenhaus, and Foo & Adam (2021), while work-life conflict moderates' factors like job satisfaction and organizational commitment (Greenhaus & Allen, 2017). The second dimension "Appreciation and Stimulation," emphasizes the significance of employee appreciation, a potent intrinsic motivator that fosters job commitment and longer retention (Shonubi et al., 2017). Appreciation strengthens relationships within and outside the organization and has been well-documented in previous literature.

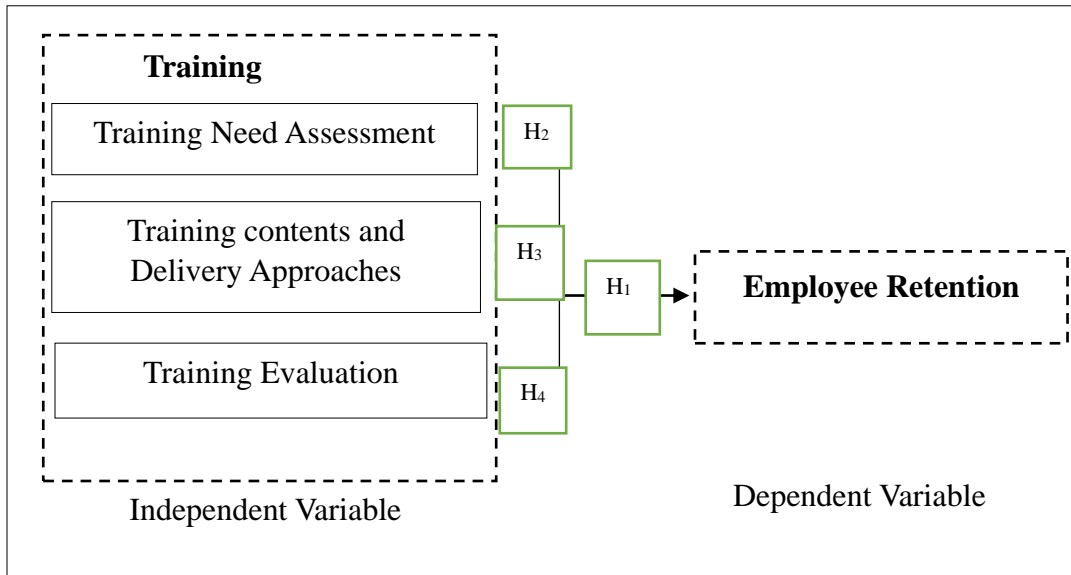
The third dimension, "Intention to Stay," measures an employee's likelihood to remain within their organization. Job satisfaction and organizational commitment significantly influence this intention (Ghosh et al., 2013). Committed employees are less likely to switch organizations, with factors like role clarity and reduced job stress playing pivotal roles (Ghosh et al., 2013). Research by Meyer et al. (2002) highlights a negative relationship between employee commitment and absenteeism, quitting, stress, work-family conflict, and the intention to leave the organization. Together, these dimensions contribute to the intricate landscape of employee retention in organizations..

## **Conceptual Framework**

The conceptual framework of this study primarily considers training as the independent variable which consists of three dimensions, Training need assessment, Training contents and Delivery approaches, and Training evaluation. Employee retention is the dependent

variable which consist of work-life balance, appreciation and stimulation, and intention to stay. The conceptual framework related to this study is illustrated in Figure 1.

**Figure 1: Conceptual Framework**



investigated develops generally. It is connected to the ideas, concepts, and empirical studies that the researcher utilized to support and organize the information that she advocated.

### Hypotheses

Considering the variables shown in the presented literature and the above conceptual framework following hypotheses were developed.

- H<sub>1</sub>; There is a significant impact of training on employee retention.
- H<sub>2</sub>; There is a significant impact of training need assessment on employee retention.
- H<sub>3</sub>; There is a significant impact of training contents and delivery approaches on employee retention.
- H<sub>4</sub>; There is a significant impact of training evaluation on employee retention.

### Methodology

The objective of this study was to analyse the impact of training on executive employee retention in a selected public bank in the Colombo District of Sri Lanka. Hypotheses were formulated based on the objectives of this analytical study, which is causal and conducted in a natural setting without any controlled or manipulated variables. In accordance with the Krejcie and Morgan table (1970) The survey was conducted among 150 executive employees at an individual level. Primary data was collected through a self-administered questionnaire in the form of a Google form, while secondary data was collected from various sources such as journal articles, books, and web publications.

## Measures

The questionnaire was divided into three parts.

The first part included questions to identify the demographic profile of the participants, such as gender, department, and duration of work experience.

In the second part, participants were asked to rate their training experience using a 19-item scale developed by Humphrey et al. (2013), using a five-point Likert scale.

The third part measured employee retention using a questionnaire developed by Kumar et al. (2015) with 14 items on a five-point Likert scale, where 1 indicated "strongly disagree" and 5 indicated "strongly agree".

## DATA ANALYSIS

Data collected from the primary source were analysed using the computer-based statistical data analysis package SPSS (Version 23.0) for validity, reliability testing, and univariate and bivariate analyses.

### Validity and Reliability

The reliability of the data collection instrument was evaluated using the Cronbach's Alpha Coefficient test (refer to Table 1). The test indicated that the consistency of each instrument was acceptable, as the Cronbach's Alpha Coefficient value was greater than 0.7.

**Table 1 : The Cronbach's Alpha Coefficient test**

Instrument	Cronbach's Alpha
Training	0.936
Employer Retention	0.756

Source:( Survey data,2023)

The way the literature variables were defined and measured, along with the high reliability of the instruments as indicated by Alpha, ensured that they accurately represented the content being studied. Additionally, the correlation and regression analyses supported the hypotheses about the relationship between the independent and dependent variables, further validating the study's content.

## RESULTS

For the purpose of data analysis, 150 completed questionnaires were received. Considering the univariate analysis, a frequency distribution investigation was carried out on the respondents by their demographic features. There were 51% of males and 49% of females. The survey was distributed to executive employees of different departments in the selected public bank in the Colombo district, Sri Lanka. The data found that most of the respondents were from the Department of Human Resource Management 33% approximately, and most of the respondents were from the staff training college 7%. There were four working experience categories that were used for this study. The data found that the majority of the respondents were in the 1 to 10 years' category with 59% approximately and the minority of the respondents were in the category with 10%. The rest of the respondents represented experience as less than 10 to 15 years.

According to Table 2 it seems that the data set is distributed as a normal distribution. The skewness and kurtosis values of training and employee retention are -3.325, -4.735 and 20.372, 32.700, respectively. The mean of training and employee retention under the study was 4.30 and 4.46.

**Table 2: Univariate Analysis**

		Training	Employee retention
N	Valid	150	150
	Missing	0	0
Mean		3.99	3.77
Skewness		-0.359	-0.697
Kurtosis		115.466	97.300

Source:( Survey data,2022)

The simple regression analysis were used to test the hypotheses.

Table 4 records the results of regression analysis that was done to determine the impact of training, training need assessment, training content and delivery approach and training evaluation on employee retention.

**Table 4: Results of Regression Analysis**

	Training Need Assessment	Training Content and Delivery Approaches	Training Evaluation	Employee Retention
<b>Sig.</b>	.000	.000	.000	.000
R	.451 <sup>a</sup>	.537 <sup>a</sup>	.504 <sup>a</sup>	.555 <sup>a</sup>
R square	.203	.289	.254	.308
Adjusted R square	.198	.284	.249	.303
Constant	.729	.487	1.431	0.294
$\beta$ value	.119	.537	.504	.555
Sig Value	.000	.000	.000	.000

Source :( Survey data, 2024)

Considering the results shown in Table 4, the value of R square is 0.203, depicting that employee retention is explained by 20.3% through variation in training need assessment. Thus, for every unit increase in the training need assessment, training is expected to increase by 0.119. The p -value for training need assessment is less than 0.05. Hence, training need assessment is a significant predictor, which ensures that there is a significant impact of training need assessment on employee retention. Thus, results conclude that training need assessment have an impact on training.

The Equation H1: Employee retention = .729 + .119 (Training need assessment)

Table 4 illustrates that the employee retention is explicated by 28.9% through variation in training content and delivery approaches and with every unit increase in the training content and delivery approaches, employee retention is expected to increase by 0.537. The p-value for training content and delivery approach is less than 0.05 (refer Table 4). Hence, training content and delivery approaches are a significant predictor, which ensures that there is a significant impact of training content and delivery approaches on employee retention. Thus, results conclude that training content and delivery approaches impact employee retention.

The Equation H2: Employee retention = 0.487 + .537 (training content and delivery approaches)

Table 4 depicts that employee retention is explained by 25.4% through variation in training evaluation. For every unit increase in the training evaluation, employee retention is expected to increase by 0.504. The p-value for legal responsibilities is less than 0.05 (refer to Table 4). Hence, training evaluation is a significant predictor, which ensures that there is a significant impact of training evaluation on employee retention. Thus, results conclude that training evaluation impact employee retention.

The Equation H3: Employee retention = 1.431 + .504 (Training Evaluation)

As per the Table 4, value of adjusted R square is 0.303, depicting that employee retention is explained by 30.8% through variation in training. For every unit increase in the training, employee retention is expected to increase by 0.555. The p-value for Employee retention is less than 0.05 (refer Table 4). Hence, training is a significant predictor, which ensures that there is a significant impact of training on employee retention. Thus, results conclude training impacts employee retention.

The Equation H5: Employee retention = 0.294 + .555 (Training)

## **DISCUSSION AND RECOMMENDATIONS**

Regression analysis used to identify the impact on Training on Employee Retention among the staffs who works in selected public bank in Colombo district. According to the table 4, value adjusted R<sup>2</sup> is 0.308, showing that turnover intention is described by 30.3% though variation in Training.

Regression analysis used to identify the impact on Training Need Assessment on Employee Retention among the staffs who works in selected public bank in Colombo district. According to the Table 4, value adjusted R<sup>2</sup> is 0.203, showing that turnover intention is described by 20.3% though variation in training need assessment.

Regression analysis used to identify the impact on Training Content and Delivery Approach on Employee Retention among the staffs who works in selected public bank in Colombo district. According to the Table 4, value adjusted R<sup>2</sup> is 0.289, showing that turnover intention is described by 28.9% though variation in training content and delivery approach.

Regression analysis used to identify the impact on Training Evaluation on Employee Retention among the staffs who works in selected public bank in Colombo district. According to the Table 4, value adjusted R<sup>2</sup> is 0.254, showing that turnover intention is described by 25.4% though variation in training evaluation.

The recommendations of the research based on the facts find form the data gathering. According to those findings, the researcher recommends that management implement all or part by part to reduce employee retention with good training, as well as increase the productivity and profitability of the organization.

- Implement a comprehensive training program for executive employees, covering both technical and soft skills.
- Ensure transparency in the training process, providing clear objectives and expectations for executives.
- Establish a system to regularly assess the effectiveness of the training programs and gather feedback from participants.
- Foster a supportive learning environment that encourages continuous development and growth for executive employees.
- Consider offering specialized training modules tailored to the specific needs and challenges faced by executives in the banking industry.
- Explore opportunities for mentorship and coaching programs to enhance the learning experience and support executive retention.
- Regularly review and update training materials to align with industry trends and advancements.
- Monitor and assess the impact of training on executive employee retention through periodic evaluations and surveys.
- Provide recognition and rewards for executives who actively engage in training and contribute to the success of the program.
- Collaborate with industry experts and professional organizations to stay abreast of best practices in executive training and retention strategies.

## **FUTURE RESEARCH**

Further studies are needed to identify other factors that affect employee retention of executive employees in a selected public bank in addition to Training. This study does not take into consideration any moderating or mediating variables that may impact the relationship between training and employee retention. Therefore, future research should take into account moderating and mediating factors. Future research should be performed using a larger sample in different departments to increase the generalization of the findings. Respondents' true feelings may differ during a cross-sectional period and longitudinal research is required in the future to determine the impact of Training on Employee retention.

## **CONCLUSION**

It can be concluded that training has a positive impact on the retention of executive employees in a selected public bank in the Colombo district of Sri Lanka. The research aimed to identify the effect of training and its various dimensions on employee retention. According to this study, there is a positive correlation between training and its dimensions with the retention of executive employees in the selected public bank in Colombo district, Sri Lanka. The importance of training has been increasingly recognized by industry experts and academics alike. Given the significant number of executive employees in banks, disseminating information on the impact of training on employee retention can be beneficial.

## **REFERENCES**

- Ahmad. (2018). The Impact of Training and Development and Supervisors Support on Employees Retention in Academic Institutions in Pakistan: The Moderating Role of the Work Environment. *Gadjah Mada International Journal of Business*, vol 20.
- Akther. (2020). The Impact of Effective Training on Employee Retention A Study in Private Banks of Bangladesh.
- Barney, J. (2001). Resource-Based Theories of Competitive Advantage: A Ten Year Retrospective on the Resource-Based View. *Journal of Management*, 643-650.
- Flippo, J. B. (2017). Retrieved from <https://www.businessmanagementideas.com/human-resource-management-2/training-in-hrm/20347>



Hareth. (2020). A Review of Training and Development towards Employee Retention in the Banking. *Journal of Management Theory and Practice*, 1, 17 and 18.

Khawaja Jehanzeb, A. M.-U.-R. (2018). Exploring the impact of training and career development on employee retention: the moderating effect of person-organisation fit. 1 and 2.

Noe, R. A. (2019). *Fundamentals of human resource management*. McGraw-Hill Education.

schroeder, A. &. (2002). The impact of human resource management practices on operational performance: recognizing country and industry differences.

Thilakaweera, B. H. (2016). Efficiency and productivity in Sri Lanka's banking sector: Evidence from the banking sector: Evidence from the. 1 and 2.

Bhowmick, S. (2022). *speech or electronic media without prior written approval from ORF. Understanding the Economic Issues in Sri Lanka's Current Debacle*.

Bratton, J., & Gold, J. (2012). *Human Resource Management: Theory and Practice*.

Ghosh, P., Satyawadi, R., Joshi, J. P., & Shadman, M. (2013). Who stays with you? Factors predicting employees' intention to stay. *International Journal of Organizational Analysis*, 21(3), 288–312. <https://doi.org/10.1108/IJOA-Sep-2011-0511>

Greenhaus, J., & Allen, T. D. (2017). *Work-Family Balance: A Review and Extension of the Literature A Meta-Analysis of the Antecedents of Work-Family Enrichment View project Research on work-nonwork balance View project*. <https://www.researchgate.net/publication/259280583>

Haider, M. H., & Akbar, A. (2017). *Internal Marketing and Employee's Innovative Work Behavior: The Mediating Role of Job Embeddedness* (Vol. 39, Issue 1).

Humphrey Otuko, A., & Douglas, M. (2013). Effect of Training Dimensions on Employee's Work Performance: A Case of Mumias Sugar Company in Kakamega County. In *International Journal of Business and Management Invention ISSN* (Vol. 2). [www.ijbmi.org](http://www.ijbmi.org)138|

Shonubi, O., Abdullah, N., Hashim, R., Shonubi, O. A., & Hamid, N. B. (2017). Appreciation: an empirical review on the colossal impact on telecom industry employee retention in Malaysia. *People International Journal of Social Sciences*, 3, 40–52. <https://doi.org/10.20319/pijss.2017.31.4052>

Ulhas Gorde Associate Professor, S. (2019). Issue 6 [www.jetir.org](http://www.jetir.org) (ISSN-2349-5162). In *JETIR1906D96 Journal of Emerging Technologies and Innovative Research* (Vol. 6). JETIR. [www.jetir.org](http://www.jetir.org)331