

Role of Learning & Development (L&D) in Employee Retention: An Empirical Study

Rakshitha D Desai
MBA student, CMS –B school,
Jain (Deemed-to-be University).

Dr. M. Nalini
Assistant Professor,
Faculty of Management studies,
CMS –B school, Jain (Deemed-to-be University)

Abstract

In the current dynamic business scenario, organizations face the constant challenge of retaining skilled professionals. Apart from increasing costs, high rates of employee turnover have several implications, such as decreasing productivity and organizational instability. With the above challenges in mind, Learning and Development have become significant tools in improving job satisfaction, engagement, and retention of employees in organizations.

This paper explores the impact of L&D on employee retention with emphasis on critical variables, including training, involvement, relevance, skills enhancement, and organizational support for learning. Quantitative research methodology has been employed in the study, and data has been collected from 100 employees from various organizations through a structured questionnaire.

Keywords: Learning and Development, Employee Retention, Job Satisfaction, Employee Engagement, Organizational Support.

INTRODUCTION

The environment in which organizations function is highly dynamic in the current age. One of the most significant problems faced by organizations in today's time is how to maintain their talent. With an increase in turnover, organizations incur greater costs in recruiting and training new employees, thus leading to inefficiencies within the organization and reducing organizational efficiency.

In the past, organizations offered financial incentives to attract workers, which primarily included salaries and bonuses. However, today's workforce requires something else from their employers.

When provided with learning and development opportunities, employees tend to be more satisfied and motivated. Consequently, they feel that they belong to the organization and become more committed to it. It follows that they are unlikely to quit the organization.

Nonetheless, all learning and development activities are not the same in terms of effectiveness. The effectiveness of the process will depend on such things as the structure of the training, its relevance to work, and the amount of support available to employees.

The main objective of this study is to examine the impact of Learning and Development on employee retention.

REVIEW OF LITERATURE

Learning and Development (L&D) is vital in ensuring the retention of employees within the workforce. Mishra (2023) indicates that the provision of training helps reduce turnover through growth prospects and commitment. Nguyen & Duong (2021) affirm that training promotes job satisfaction, which in turn boosts retention levels. According to Srivastava (2022), continuous learning ensures high self-confidence and reduced stress in fast-moving industries. Satpute et al. (2022)

indicate that training motivates employees and instills emotional commitment, thereby reducing turnover. Khan & Gul (2019) reveal that proper training leads to employee loyalty and satisfaction within the banking industry. According to Jaworski & Mattson (2018), organizational support in L&D promotes employee commitment.

Nalini (2024) explores the relationship between employee engagement and organizational performance, emphasizing that higher levels of engagement lead to improved productivity and overall effectiveness. The study highlights that engaged employees contribute to better decision-making, innovation, and organizational commitment. It underscores the strategic importance of fostering engagement as a driver of sustained competitive advantage. Tariq & Khan (2019) indicate that L&D improves engagement and organizational attachment of the staff members. Naim & Siddiqui (2017) highlight that job satisfaction mediates the effects of training on employee retention. Amin & Jamal (2020) indicate that training lowers stress and employee turnover within the hospitality industry. Khan & Khan (2018) reveal that skill development promotes the competencies of workers and reduces turnover intentions. Mustafa & Ahmed (2018) highlight that L&D boosts employee engagement and growth opportunities.

RESEARCH HYPOTHESES

H₀: Learning and Development has no significant impact on employee retention H₁: Learning and Development has a significant impact on employee retention.

Research Methodology

The current research work uses the quantitative research approach to

analyze the effect that Learning and Development practices can have on employee retention with an emphasis on outcomes such as employee satisfaction, motivation, confidence, and retention intention.

For collecting primary data, the researcher used a survey in the form of a structured questionnaire conducted via the Google Form. The target population comprises individuals working in different industries, such as IT, banking, hospitality, and services, who are exposed to Learning and Development in their organization.

Convenience sampling method was used for the collection of data because of time and resource limitations, with the sample size consisting of 100 valid responses. In the current study, the variables relating to Learning and Development, such as training, participation, relevancy, and skill development, are independent variables. On the other hand, employee retention and its related outcomes, such as satisfaction, motivation, and confidence, are considered dependent variables.

The measurement scale used is the five-point Likert scale, which ranges from strongly disagree to strongly agree, i.e., (1, 2, 3, 4, and 5), respectively.

DATA ANALYSIS & INTERPRETATION

Reliability Analysis

For the reliability test, the Cronbach's Alpha test was carried out in PSPP using 16 items based on the data collected from 100 participants. The alpha coefficient of 0.78 shows reliable internal consistency in terms of how well the variables are able to measure the concept of Learning and Development and its influence on retention of employees. None of the responses were missing.

Descriptive Statistics

The descriptive statistics show that almost all the variables have higher mean values than 3, meaning a positive answer. Consequently, one can conclude that employees have a good impression of L&D in the organizations they work for.

Among the variables, the highest mean value is found in the case of structured learning, the mean being 3.93. In other words, employees have an excellent impression about structured training programs. Moreover, variables such as organizational support, with the mean value of 3.54, or manager support, with the mean value of 3.59, emphasize the role of support in increasing the effectiveness of L&D.

Nevertheless, it is interesting that the overall satisfaction variable has quite low mean value of 3.20, meaning that even though L&D positively influences the process, it does not ensure complete satisfaction among workers. Finally, the influence of L&D on retention is moderate, with the mean value of 3.29.

Correlation Analysis Table 3: Correlation Analysis

From the correlation analysis, there exists a positive association between variables under Learning and Development and performance of workers. All correlations are statistically significant ($p < 0.05$).

There is high correlation between motivation and retention ($r = 0.450$), and it shows that motivated employees have a better chance of retaining in the organization. Satisfaction and retention also have a positive association ($r = 0.420$), which means that those satisfied with the work environment are likely to retain in the firm.

Positive correlation exists between confidence and motivation ($r = 0.493$). This implies that those confident about themselves are motivated in their jobs. From the above, we can conclude that L&D practices have a positive impact on employee satisfaction, motivation, and retention.

FINDINGS & RECOMMENDATIONS

From the analysis of research findings, one can conclude that there are both manual and automatic ways of screening in the recruiting process. Automation allows for saving much time and making the process uniform, which is important when you have to process an enormous number of resumes. At the same time, the importance of the human factor must not be overlooked while assessing qualitative attributes such as candidacy, suitability of the experience gained before, and prospects.

Human and automated decision making revealed almost equal trends regarding the influence of biasing. Besides, the level of trust in decision making is almost identical within both these methods.

Regression analysis suggests that among four criteria for measuring the quality of decisions, the first three are fairness, accuracy, and efficiency.

Considering the results, organizations are advised to employ a hybrid approach in recruiting candidates by using the benefits of algorithms in conjunction with human decision-making skills. This approach guarantees efficiency and quality in recruiting employees.

Based on these findings, it is important that organizations take steps to improve Learning and Development (L&D) strategies, which is considered the best way to retain employees. Continuous learning would not only help

to develop better skills among employees but motivate and satisfy them, making them loyal to their jobs.

Finally, employees' trust and involvement can be improved through the establishment of a good learning culture in an organization. It should be emphasized that L&D must not be considered a one-off activity, but a continuous process.

LIMITATIONS

However, the current study has certain limitations that must be taken into account when interpreting the results. First of all, the amount of participants is low and the sampling was convenient, which may prevent the results from being applied in practice to other industries and geographic regions.

Another limitation is that the study focuses on the opinions of heads of hiring rather than their practical results. Opinions give an understanding but do not fully illustrate whether human or machine approaches prove to be efficient.

What is more, the study is one-off and data were obtained at one specific period of time. Therefore, it gives no opportunities to assess how perceptions change depending on the use of technology.

Taking all the above factors into consideration, they can be addressed through expanding the sample, collecting data over a period of time, considering other dimensions and aspects, etc.

CONCLUSION

The study concludes that both human and algorithmic resume screening play important roles in recruitment. While algorithms enhance efficiency and consistency, human judgment is essential for evaluating qualitative aspects of candidates. A balanced, hybrid approach ensures

better decision quality by combining speed with fairness and accuracy.

From the results, it is clear that none of the approaches is better than the other alone. Rather, both approaches exhibit the same level of biases and trust, underscoring the necessity for appropriate execution and supervision. More importantly, the research reveals that fairness and correctness are the two most important determinants of the quality of the decisions made, rather than just the one-time benefit of being faster that automation provides.

A mixed approach is the best way to go, as it utilizes both the computational skills of the software and the sound judgment of human recruiters.

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