

Effect of Employee Retention on Organizational Performance in Selected Manufacturing Companies in Calabar, Cross River State, Nigeria

Welle Lawrence

lwelle777@gmail.com

Department of Management, Human Resource Management
LIGS University, Hawaii, United State

Simon Peter Koffi

koffi890@gmail.com

Department of Business Administration
Michael Okpara University of Agriculture
Umudike, Abia State

DOI: 10.56201/ijssmr.v9.no10.2023.pg52.65

ABSTRACT

Increasing competitiveness has influenced the retention of knowledge-based human resources in manufacturing firms for sustainable performance in a changing business environment. This study examined effective work environments, compensation and benefits, and training and development. The study was guided by research questions, hypotheses, and Job-Embeddedness Theory. A cross-sectional research design was used for data collection with a sample size 329 staff. A content validity on the instrument was carried out and reliability was through the use of Cronbach Alpha. The study adopted the linearity and multicollinearity tests to ascertain data accuracy, while correlational analysis was used to test the hypotheses at 0.01 level of significance. Findings revealed that an effective work environment relates to organizational performance ($r = .354$ (35.4%), $n = 322$, $p > 0.05$). The second hypothesis shows compensation and benefit relates to organizational performance ($r = .577$ (57.7%), $n = 322$, $p > 0.05$). The findings on the third hypothesis reveal that training and development relate to organizational performance ($r = .743$ (74.3%), $n = 322$, $p > 0.05$). The study concludes that improved organizational performance significantly depends on HR policies and practices to retain the workforce in a volatile and knowledge-driven environment. The study recommends among other things that management should review the policy framework of the firms to ensure that the work environment appeals to the confidence of the employees and encourages teamwork and collaboration.

Keywords: *Compensation and Benefits, Effective Work Environment, Training and Development, Organizational Performance*

Introduction

Globally, the retention management approach has drawn the attention of HR professionals to holistic retention incentives as an ethical practice to influence employee behaviours. Successful organizations have recognized the need for the current work environment for the longevity and survival of the organization (Torsabo & Ezekiel, 2021, p.351). This has drawn many experts and organizational leaders to the act of retaining the most prized employees as an asset to derive competitive advantage (Thangjam, 2021, p.19). This has created a strong belief in competence with a priority on optimizing productivity to achieve the goal of the organization. The continuous adaptation to retention strategies has made the changing expectations of the organization to be met as retention has become a critical issue that has attracted the attention of organizational leaders and HR experts to adopt it to overcome high turnover as detrimental to organizational growth (Sorn et al., 2023, p.25; Al-Suraihi et al., 2021, p.5). Across the globe, various industries have adopted employee retention to management turnover to overcome dynamics and drive productivity in relation to employee capability. This has made practitioners exploit human assets with available resources to ensure that the future workplace.

Today, the inevitability of a knowledge economy has imposed the necessity for a talented workforce for business. HRM experts have become more attractively involved in designing a work environment to be knowledge-driven embracing employees with adequate knowledge as enablers of the organization's competitive advantage and timely attainment of organizational objectives (Awolaja, 2023, p.159). An uncompromising attitude to performance goals in organizations has been adopted as a commitment to achieve set objectives with effective policies and practice on retaining competent employees whose skills and knowledge are assets to organizations. There is, however, a need to monitor performance in relation to the changing nature of the environment. The HR manager has to make decisions to inspire employees with talent who are high performers and to equip them with the necessary training and compensation for quitting their job (Hassan, 2022, p.138).

The practice of employee retention in manufacturing firms in Nigeria is multidimensional in approach due to hydra competition. Competitive firms in different industries in Nigeria such as Alphaster Paint and Industry, Flour Mills Nigeria Limited, and Jubitec Company Limited are of strong priority to retain employees to have a competitive edge with greater performance. This has overtime attracted practical approach to employee retention as talent war in present work environment aimed at controlling talent turnover in the organizations. Therefore, this study is undertaken to examine the extent to which training and development, compensation and benefits, and work environment promote organizational performance for the achievement of competitive goals of the organization

Statement of the problem

The inability to address unwanted turnover is a reflection of ineffective retention policies in the workplace. This affirms that the continuous loss of employees implies the loss of experience, skills, and corporate image which is a critical issue affecting the productivity that manufacturing firms aim to achieve. This implies that replacing the acquired skills and knowledge that individuals walk away from is difficult when considering the training cost. Therefore, efforts by manufacturing firms to retain talented employees are often faced with challenges despite persuasion for creative employees to stay with the organization for positive value. These challenges consist of ineffectiveness in the work environment, compensation and benefits, and training and development. These have given rise to the inability to retain a competent workforce in manufacturing firms. Hence, there is a need to deploy resources to ensure that the organization is attractive for employees to work to minimize turnover costs. Employee turnover is now a recurrent issue faced by organizational leaders against productivity

improvement, Therefore, retention strategies become critical in addressing performance issues in the organization. Hence, this study seeks to examine the effect of employee retention on organizational performance in selected manufacturing firms in Calabar, Cross River State, Nigeria

Objective of the study

The specific objectives of the study on employee retention were to:

1. Examine how an effective work environment relate employee satisfaction for improved organizational performance in selected manufacturing firms in Calabar
2. Assess how compensation and benefits relate to employee commitment for improved organizational performance in selected manufacturing firms in Calabar
3. Ascertain how training and development relate to career planning for improved organizational performance in selected manufacturing firms in Calabar

Theoretical framework

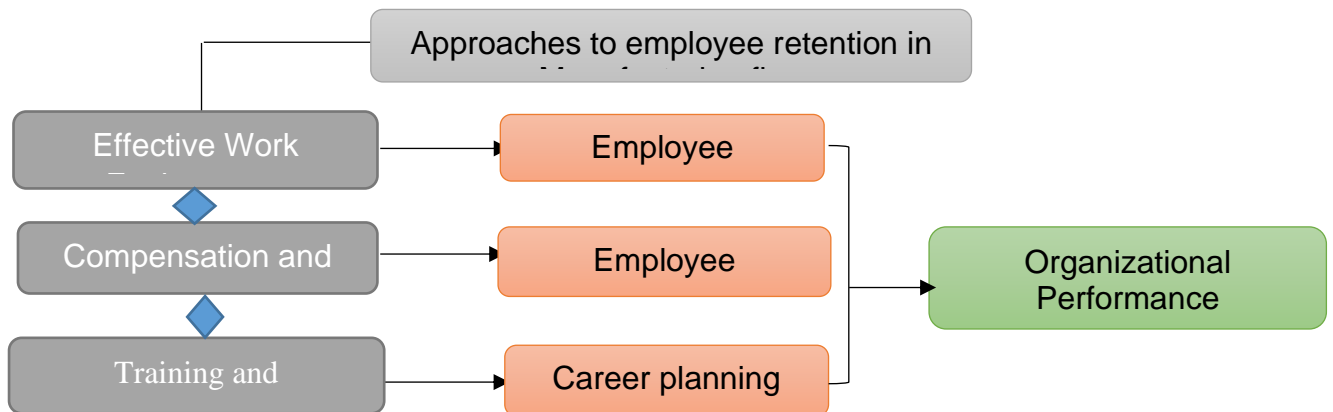
This study was guided by job embeddedness theory which stresses that the existence of inducement must match or exceed the expectations of employees as a guarantee for them to stay in the organization. Therefore, employees' decisions are influenced by job embeddedness to leave or remain in the organization. Job embeddedness results in positive performance as they become less likely to leave the organization (Holtom & O'Neill, 2004, p.18). It theorizes that an employee can develop relationships as they participate in the assigned task. Therefore, employees should be job-embedded to prevent such from leaving the organization (Mitchell et al., 2001, p.101).

Some assumptions of this theory are that there is a relationship link existing between employees and other people in the organization which must be managed by ensuring that the employee is mentored by an expert, designing teamwork and cohesiveness which make it hard for employees to leave the organization due to existence of friends, work groups, mentors, and co-workers linked to the employee. Also, the compatibility associated with the employee in the workplace must align with the organizational values and culture which make the employee fit in the new environment.

The justifications of this theory to the study are that job embeddedness theory aids in retaining employees and further helps organizations to understand the factors that make people decide to stay in the organization. Mitchell et al. (2001, p.105) support that this theory helps in establishing adequate retention strategies suitable to a given organization

Conceptual framework

Figure 1: Employee retention in the manufacturing firm



Source: Author 2023

Concept of employee retention

The concept of employee retention is multifaceted and comprehensive with diverse views of researchers. For instance, Gorde (2019, p.3) conceptualized it as a process of motivating and encouraging human resources to stay to sustain the productivity of the organization. This makes stakeholders happy as employees stick to the organization. Hom et al. (2017, p.532) support it as an organizational ability to retain workers. This is in line with the assertion of Chatzoudes and Chatzoglou (2022, p.50) that it is the act of preventing proficient employees from disengagement from the organization. This requires the need to encourage employees to stay optimally and enhance productivity in the workplace. While Torsabo & Ezekiel (2021, p.352) define employee retention as the systematic management of employees to create and foster positive policies that encourage employees to stay and optimize productivity, Gomathi and David (2020, p.45) see it as a set of work procedures carried out to animate employee to remain with the organization for a given project to be completed. This indicates that the long-term success and growth of the organization are dependent on the gifted employees efforts to retain them are necessary. They must be retained not because of the cost but because the skills and knowledge are resources for improved productivity in the organization

Alshamrani et al. (2023, p.10) argued that employee retention is dependent on the employer's understanding of the workers and the extent to which they are helped to solve problems. The corporate readiness of employees in an organization is influenced by financial resources and time. Trained employees constitute loss when leaving the organization. A study by Ramos (2019, p.50) stresses that the inability to retain employees is of loss to the organization such as the cost of turnover which is associated with hiring loss, productivity loss, and training loss. Two, the loss of knowledge in which employee leaves with valuable knowledge concerning the current and past history of the organization. This is a situation where significant investment is made on employees with anticipation of returns in the future. Three, customers' service interruption is when an employee leaves the organization and the relationship built between the employee and the customers is lost. Fourth, the loss of efficiency emanates when an employee resigns and a new employee is hired with a low level of efficiency to meet the target of the organization. However, Hitter (2007, p.60) identified circumstances that result in an employee leaving the organization. These consist of contradictions in job expectations, the mismatch between the employee and job, lack of growth opportunities, absence of trust among employees, and lack of appreciation. Hence, retaining employees requires understanding three processes which are identifying the cost of employee turnover, understanding the reason for employees to leave, and effective implementation of retention strategies.

Organizational leaders should have a strategic focus on long-term retention to boost organizational productivity and reduce attrition cost in the organization

Effect of work environment on performance

In contemporary organizations, an engaging and satisfying work environment is the pivot of improved performance (Ugurlu, 2019, p.85). At various levels of organization, the workplace environment has been linked to the evaluation of employee performance in various economic sectors across the globe. This is to ascertain the contribution of the work environment to improved productivity of the organization. For instance, inspiring and rewarding work environments have been identified as a source of retaining employees (Shammout, 2021, p.79). This is because employee connection with the environment influences their efficiency, collaboration, and innovativeness for improved productivity (Farh, 2012, p.319). The work environment is conceptualized as surroundings where a group of people work to attain organizational goals (Satyvendra, 2019, p.10). The physical and non-physical environments have strategic contributions to the effective retention of the workforce. Hence, the physical working condition is a work environment where work is done (Ali, 2016, p.9).

Today, job effectiveness is significantly stimulated by the work environment which also influences the wellbeing of the employee to work collaborative and efficiently to achieve organizational goals. This is dependent on the availability of healthy and positive mental conditions to bring about positive work situation for exceptional outcome (Genzorová, 2017, p.12)

A study by Salau et al. (2020, p.8) reveals that the work environment has an 89.6 percent significant contribution to staff retention. This current finding is an affirmation that the work environment is a positive factor that influences the retention of academic staff. Sequel to this a study by Msengeti, and Obwogi, (2015, p.16) reveals a positive and strong effect of the work environment on employee retention. Consequently, high labour turnover was caused by the inability of employees to balance work and family, longer working hours, etc. The competitive nature of the environment has made skilled and experienced workers a differentiating and an important factor in organizational success. The commitment of employees to the work environment requires dedication to the achievement of the goals of the organization (Hanai, 2021, p.45). Awan (2015, p.25) affirmed a relationship between work environment and retention with a recommendation that a safe and good working environment, and flexible working hours support employee retention

Effect of compensation and benefits on performance

Compensation and benefit have contribute to retention and reduction of employee turnover. Employee compensation is a motivating force for optimizing organizational goal attainment in the long run ((Poór, et al., 2018, p. 5). Siddiqi and Kol (2021, p.8) sees rewards as measures for retaining and attracting workers. Compensation has an impact on the retention of employees when kept intact as an initiative for rewarding workers for service rendered

The importance of providing competitive compensation is necessary in motivating employees to stay in the organization. Retaining skilled employees is aimed at developing human capacity over competitors and this is done by enhancing their career development, rewarding them for organizational achievement, etc (Naveed et al., 2020, p.5333). For instance, the practice of pay-based incentives in organizations is a relevant approach to high-quality human resources to retain employees in the organization. A survey by Arunmozhi and Natarajan (2018, p.276) reveals that workers who are not satisfied with the compensation in the organization are envisaged to leave. A regular survey to this effect is necessary to address the issue of poor compensation packages. Al-Suraihi et al. (2021, p.5) argued that retaining employees through compensation is not a one-size-fits-all solution, but it requires effective tailoring of compensation to fit the different needs of employees with adequate satisfaction

In manufacturing form, employees are unable to seek alternative workplaces where competitive compensation is used to sustain positive performance. This makes employees reciprocally committed to improved productivity. In addition, the use of equity in compensation is found to contribute to the cognitive ability of the employee for sustainable performance. However, there is counter agreement among researchers that while compensation payment is not a guarantee for retaining employees in the workplace, it is high-performing employees that guarantee higher pay with clear judgement compared to poor poor-performing employees (Patil et al., 2022, p.1355; Umamaheswari & Krishnan, 2016, p.613). Therefore, high-wage compensation is more helpful in achieving organizational objectives than adopting low wages with or without training. In manufacturing firms in Nigeria, it is envisaged that the strong commitment of workers is driven by competitive compensation with a positive attitude and job satisfaction which influence significant growth of the organization

Effect of training and development on performance

Human resources have become a priority for improved productivity and this requires effective training and development to prevent workers from searching or leaving the organization (Jaseel, 2019, p. 3). Training allows basic skills acquisition for the efficient implementation of organizational functions (Armstrong, 2021, p.8). Based on this, Vincent (2020, p.253) sees training as a process of acquiring knowledge and skills to achieve business objectives. This affirms that great employees are attracted and retained through continuous training and development of workers

Koteswari et al. (2020, p.1182) suggest retention strategies as a means of retaining experienced workers with expertise, knowledge, and skills from migrating which aids in reducing the costs associated with the recruitment, and training of new employees. Watson et al. (2019, p.255) argued that the inability of organizational leaders to control employee retention makes workers leave one organization to another with the skills and experience gained from the organization. Nguyen and Damei (2020, p.375) support that training employees constitute the HR policies and strategies for retaining employees and making them satisfied with their job. For instance, a low level of training has negative effects on job performance and employee turnover and could be remedied by HR managers providing training and learning programs to improve employee skills while minimizing turnover based on the commitment of the employee

Job needs in the organization are influenced by the availability of skills and knowledge acquired through training (Koteswari et al., 2020, p. 1183). Though this attracts costs, losing a talented employee should be avoided. Nguyen and Damei (2020, p.377) posits that training is a major factor that can keep workers for a longer duration in an organization. This is because lack of training is a demotivation to employees to leave the organization and its importance is for both the organization and employees. Long-term investment in training is a practice that agile organization adopts to ensure that job-related training is implemented. Elsafty and Oraby (2022, p.60) add that job-related training influences employee loyalty, low turnover, and improved productivity which contribute to improvement in financial status and competitive advantage for the organization. Training and development have been adopted as a strategic factor that promotes retention of the workforce. This is based on the notion that there is a lower cost to retain workers than the train new staff (Elsafty & Oraby, 2022, p.63). Nguyen and Duong. (2020) argued that training and development are not sufficient factors to retain workers, it requires the use of other measures such as effective leadership style, positive relationship with workers and career development

Organizational performance

Organizational performance connotes the ability of an organization to meet targets in an effective and efficient manner which consists of profitability, quality products, attainment of financial goals, and large market shares. Organizational performance is influenced by employee retention to increase organizational productivity (Al Kurdia et al., 2020, p.3982). Transforming input into output is a concern that managers have to harness resources to pursue the achievement of organizational objectives (Hussein et. al., 2021). However, to sustainability of performance is influenced by adaptability to the environment, efficiency in the use of resources, and reliability of human resources to promote cooperation among organizational members. For instance, an organization is able to address its performance in comparison to how competitors are performing in the same industry in terms of productivity which is measured in relation to growth, expansion, and profitability

Research by Ohunakin et al. (2018, p.279) reveals that organizational performance is affected by the increasing rate of turnover faced by organizations. Therefore, the result of workforce morale and improvement in sales growth is inhibited by the turnover of employees which affects organizational performance. This is an indication high turnover ruins the performance

of an organization when policies and practices are not in place to address the demands of employees with an inspiring environment and motivation as a retention strategy to enhance employee performance. Performance information has been a strong contributor to the growth and survival of an organization. For instance, performance data offer a critical assessment of performance delivery and also help organizations to measure and improve performance (Igbinoba et al., 2022). Hence, organizational performance is dependent on the skills and knowledge of employees which influences organizational success. To sustain performance, strategies must be developed as the cornerstone of high performance in an organization

Methodology

This study adopted descriptive statistics and a cross-sectional survey design to elicit data for analysis. The study covered three manufacturing firms namely: Niger Mills Company Limited, Alphaster Paint and Industry, and Jubitex Company Limited with a target population of 1,844 staff. Taro Yamane sampling formular was used to determine the sample size of 329 for the study. The appropriate sampling method used was stratified random sampling, and Bowley's proportional formular further helped to prevent bias in the study. The questionnaire was designed in a five-point Likert scale which aids in the quantitative collection of data. Correlative analysis was used to test the hypotheses using SPSS. Cronbach Alpha Coefficient of 0.7 helped to ascertain the reliability of the instrument shown below:

Table 4.1

Cronbach Alpha for reliability

S/N	Variables	No. of Items	Cronbach Alpha
1	Effective work environment	6	0.754
2	Compensation and benefits	6	0.765
3	Training and development	6	0.752
4	Organizational performance	6	0.741

Source: SPSS Output 2023

Result and analysis

Table 2

Descriptive statistics of employee retention and organizational performance

Item	N	Mean	Std. Deviation	Variance
Effective work environment	322	3.61	1.256	1.577
Compensation and benefits	322	3.88	.479	.229
Training and development	322	4.01	.618	.382
Organizational performance	322	3.03	.852	.726

Source: Author's analysis using SPSS, 2023

The above table shows descriptive statistics on employee retention. Effective work environment, compensation and benefits, and training and development were used to measure organizational performance. Constructs designed to measure organizational efficiency included: the achievement of target in an effective and efficient manner consisting of profitability, quality product, attainment of financial goals, and large market shares; performance aid in monitoring progress and establishing the goals that the organization seek to achieve; performance is achieved through motivated workforce whose behaviour is stimulated to desirable state; and access to a critical resource, increase in knowledge and skills, and

empowering the workforce are sources of improving organizational performance. All of the constructs had a mean of 3.03, which indicates that the questions were of positive response; and standard deviation which is higher than one (1) indicates that 95 percent of the variance was elicited from the mean. Therefore, the spread of data was confirmed to be adequate.

The effective work environment was measured by: employee is committed to stay in work environment that is inspiring and rewarding for improved productivity; effective work environment improve work satisfaction, provide quality of life, and enhance opportunity for growth; employee turnover is reduced through hiring, training and retaining of skilled workforce; the absence of priority for retention create negative work attitude against productivity. All constructs on work environment were associated with the mean of 3.61 which indicates that the questions were of positive response. Also, 68 percent of the variance obtained from the mean was ascertained with as standard deviation lower than 1. This affirmed the spread of data to be adequate.

Constructs designed to measure compensation and benefits were: the indispensable knowledge and skills of workers make them to be retained with the use of compensation to achieve business goals; the use of competitive compensation allows workers to be attracted and motivated for business success; employee decision to stay or leave organization is influenced by health related benefits of the organization; the payment of higher amount to high performing employee is a guaranteed for retaining the employee. All constructs on compensation and benefits were associated with the mean of 3.88 which indicates that the questions were of positive response. Also, 68 percent of the variance obtained from the mean was ascertained with as standard deviation lower than 1. This affirmed the spread of data to be adequate.

Training and development were measured by: sustainable practice and development enhance problem-solving with the acquired skilled and knowledge of workers; improvement in employee ability and skills provides the opportunity to engage in effective performance to achieve business goals; training and development influences employee commitment which improves skills and reduces turnover in the organization; management values to worker is through investment in training and development which enhance employee long-term intention to work in the organization

All constructs on compensation and benefits were associated with the mean of 4.01 which indicates that the questions were of positive response. Also, 68 percent of the variance obtained from the mean was ascertained with as standard deviation lower than 1. This affirmed the spread of data to be adequate.

Table 3

Test for Multicollinearity

Table showing result of multicollinearity

Variables	Tolerance	Collinearity Statistic VIF
Effective work environment	.898	1.114
Compensation and benefits	.704	1.421
Training and development	.652	1.533

Source: Author's analysis using SPSS, 2023

In this study, a multicollinearity test was carried out with the aim of assessing if there is the existence of strong inter-association or intercorrelation among variables that are predictors. This requires the use of tolerance value and variance inflation factor (VIF) (Ringle, et al.,

2015). However, tolerance is known as a proportion of variation which is unexplained by any other predictors. Again, where substantial multicollinearity is close to 0, the standard error of the regression coefficient is then overstated. According to general guideline, tolerance must not be lower 0.1 and VIF is not to be more than 5 (Ringle, et al., 2015). Therefore, with the above table, the tolerance value exceed 0.1 while VIF is lesser than 5 as value that is permissible

Result of the hypotheses

Hypothesis one

H₀: Effective work environment does not relate to employee satisfaction for improved organizational performance in selected manufacturing firms in Calabar

H₁: Effective work environment relate to employee satisfaction for improved organizational performance in selected manufacturing firms in Calabar

Table 4

Correlational analysis showing the relationship between effective work environment and organizational performance

	Effective Work Environment (EWE)	Organizational Performance (OP)
Effective Work Environment (EWE)	1	.354**
	Pearson Correlation	.000
	Sig. (2-tailed)	
	N	322
Organizational Performance (OP)	.354**	1
	Pearson Correlation	.000
	Sig. (2-tailed)	
	N	322

** . Correlation is significant at the 0.01 level (2-tailed).

The result of correlational analysis reveals that the “P” value (.000) is less than 0.05 which reveals that the independent variable is statistically significant. This shows a positive but weak relationship existing between effective work environment and organizational performance. This implies that effective work environment relates to organizational performance in selected manufacturing firms in Calabar (r =.354 (35.4%), n= 322, p>0.05).

Hypothesis two

H₀: Compensation and benefits do not relate to employee commitment to improved organizational performance in selected manufacturing firms in Calabar

H₁: Compensation and benefits do not relate to employee commitment to improved organizational performance in selected manufacturing firms in Calabar

Table 5

Correlational analysis showing the relationship between compensation and benefits and organizational performance

	Compensation and Benefits (CB)	Organizational Performance (OE)

Compensation and Benefits (CB)	Pearson Correlation	1	.577**
	Sig. (2-tailed)		.000
	N	322	322
Organizational Performance (OP)	Pearson Correlation	.577**	1
	Sig. (2-tailed)	.000	
	N	322	322

** . Correlation is significant at the 0.01 level (2-tailed).

The result of correlational analysis reveals that the “P” value (.000) is less than 0.05 which reveals that the independent variable is statistically significant.. This shows a positive and strong relationship existing between compensation and benefits and organizational performance. This implies that effective work environment relates to organizational performance in selected manufacturing firms in Calabar ($r = .577, n = 322, p > 0.05$).

Hypothesis three

H₀: Training and development do not relate to career planning for improved organizational performance in selected manufacturing firms in Calabar

H₁: Training and development do not relate to career planning for improved organizational performance in selected manufacturing firms in Calabar

Table 6

Correlational analysis showing the relationship between training and development and organizational performance

		Training and Development (TD)	Organizational Performance (OP)
Training and Development (TD)	Pearson Correlation	1	.743**
	Sig. (2-tailed)		.000
	N	322	322
Organizational Performance (OP)	Pearson Correlation	.743**	1
	Sig. (2-tailed)	.000	
	N	322	322

** . Correlation is significant at the 0.01 level (2-tailed).

The result of correlational analysis reveals that the “P” value (.000) is less than 0.05 which reveals that the independent variable is statistically significant.. This shows a positive and strong relationship existing between training and development and organizational performance. This implies that effective work environment relates to organizational performance in selected manufacturing firms in Calabar ($r = .743, n = 322, p > 0.05$).

Discussion of findings

The correlational analysis on hypothesis one reveals that there is a relationship between effective work environment and organizational performance in selected manufacturing firms in Calabar ($r = .354$ (35.4%), $n = 322$, $p > 0.05$). In consensus with the finding, Shammout (2021, p.83) stresses that employee connection with the environment influences their efficiency, collaboration, and innovativeness for improved productivity. With a survey of 322 respondents, 255 respondents representing 79 percent affirmed that providing a positive work environment makes employees stay or committed to the organization. This is true because employee retention requires managers' ability to enhance job satisfaction by providing necessary opportunities for growth, and reduce turnover, and ensuring that skilled workers are retained. Therefore, these have enabled the studied manufacturing firms to achieve targets in an effective and efficient manner. Hence, the studied firms are involved in ensuring that effective work environment improve work satisfaction, provide quality of life, and enhance opportunity for growth. Employee turnover is reduced through hiring, training and retaining of skilled workforce

The correlational analysis on hypothesis two shows a significant relationship that exists between compensation and benefits and organizational performance in selected manufacturing firms ($r = .577$ (57.7%), $n = 322$, $p > 0.05$). This result aligns with the findings of Naveed et al., (2020, p.5334) that the importance of providing competitive compensation is to motivating employees to stay in the organization and this is done to enhance their career development. With a survey of 322 respondents, 288 respondents representing 89 percent affirmed that the indispensable knowledge and skills of workers make them to be retained with the use of compensation to achieve business goals. This justifies that the use of competitive compensation allows workers to be attracted and motivated for business success; employee decision to stay or leave organization is influenced by health related benefits of the organization; the payment of higher amount to high performing employee is a guaranteed for retaining the employee. These have aided the studied manufacturing firms to achieve organizational performance by monitoring progress and establishing the goals that are to be achieved through a motivated workforce whose behaviour is stimulated to a desirable state

The correlational analysis on hypothesis three discloses a significant relationship existing a significant relationship exists between training and development and organizational performance (74.3% (74.3%), $n = 322$, $p > 0.05$). This result agrees with the findings of Nguyen and Damei (2020, p.375) that training employees constitute the HR policy and strategy for retaining employees and making them satisfied with their job. With a survey of 322 respondents, 271 respondents representing 84 percent affirmed that sustainable practice and development enhance problem-solving with the acquired skilled and knowledge of workers. This is a fact because the studied manufacturing firms have priority in improving employee ability and skills; training and development influences employee commitment which improves skills and reduces turnover in the organization; management values to worker is through investment in training and development which enhance employee long-term intention to work in the organization. Hence, the firms are able to access critical resources to increase knowledge and skills, which empowers the workforce to improve organizational performance

Conclusion

Improved organizational performance significantly depends on HR policies and practices to retain the workforce in a volatile and knowledge-driven environment. As workers become embedded in their job, manufacturing firms are able to compete proactively through an effective work environment, recognizing compensation and benefits, and sustainable training and career development of workers. These are enablers of anticipated growth and profitability

that firms seek to achieve a market niche in the industry. Retention strategies are based on career planning to make employee stay and be committed in enhancing productivity of the organization. This affirms the belief that hiring knowledgeable people and retaining them helps to improve the performance of organization. It is worth noting that employee retention is the soul of a given organization and continuous decisions and allocation of resources are necessary to train, compensate and motivate high-performing employees for achievement of organizational objectives.

Recommendations

Based on the findings, the following recommendations are adduced:

1. Management should review the policy framework of the firms to ensure that the work environment appeals to the confidence of the employees and encourages teamwork and collaboration. This would create job satisfaction as a major factor for employee retention for the growth and profitability of the firms in a competitive environment.
2. Competitive compensation and benefits should be implemented in the firms for continuous retention of high-performing workers in the organization. This would require a critical review of the financial resources, strategies, and policies to ensure that dynamics in the environment are addressed for improved performance of the organization and achievement of set objectives.
3. Continuous training and career development of employees should be sustained to retain top talented workers which will make them utilize the acquired skills, knowledge, and competencies for improved productivity of the firms. This will require the deployment of organizational resources to increase the high level of job satisfaction among workers

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