

A study on Impact of Learning and Development on Employee Retention in the FMCG Industry

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ABSTRACT

The purpose of this research is to determine the effect of Learning and development activities being conducted by an organization in the FMCG industry on retention of employees or their turnover rate. This research has found out that the L&D activities have a substantial impact on the intention of employees to remain or leave an organization. Some key variables affecting this study have been identified as L&D Activity and its types, frequency of such activities and the duration. We also considered intervening variables like reward and remuneration, as well as the support that the employees receive from their supervisors. This study is conducted on the basis of data collected from a sample scale of 100 employees from leading FMCG companies in India using convenience sampling technique. Tools like Correlation, Regression Analysis and descriptive statistics are used for the analysis of data. According to the findings of the study, the result shows a positive relationship between the L&D activities and employee retention. Irrespective of the gender, the employees are found to be willing to participate in the L&D activities and seek rewards and support from supervisors for the same.

PURPOSE OF THE STUDY

The problem statement for this study is to identify that to what extent learning and development activities, conducted by an FMCG company, have been successful in improving the retention of employees and reducing their turnover. Through this study, we want to find out the impact of L&D on retention and the nature of difference between the two variables. Through this study, we would also want to explore on the factors that affect high employee turnover in FMCG industry and the effect of L&D Activities, their duration and frequency, support and motivation from supervisor on boosting employee morale in reducing the turnover.

REVIEW OF LITERATURE

This section presents a review of the existing literature on the topic in question, the effect of learning and development on employees' retention in the FMCG sector.

The role of a company's learning division, in order to face the rapidly changing environment, is of a crucial nature and cannot be neglected (Kind, Verlaine, and Cabs, 2016). All companies, big or small, should provide such learning opportunities to every employee, irrespective of their position or job role in the company.

According to Aquila et al. (2019), learning and development activities in any organization plays an important role in further improving the knowledge, skills, and abilities and competencies of the employees which intern makes them even more efficient and productive. C. Hendry (2012) proposed that in the absence of an effective learning strategy, several issues like prolongation of learning, financial losses, job-accidents and even casualties may be

caused. The root cause for these problems are lack of proficiency and job skills.

Sum and Letha (2013) substantiated that when the companies have a focus on the improvement in quality of existing human resources, it has a big and direct impact on its success, in which the employees have a key role to play. All the organizations need well-trained and skilled human resources which will support them to achieve the preset goals.

An organization will be able to create superior competitive advantage in the industry if they provide learning and development opportunities to their employees and provide ways to develop additional knowledge and skills which will enable them to face global challenges like development of e-commerce, mechanization and automation of organizations, globalization and evolving technology.

Employee retention is one of the most crucial parameters that the new age organizations are targeting to achieve and improve. It can be ascertained that the dynamism in the industry and the continuously evolving demographic and economic scenarios force the organizations to focus more on retaining the employees (Governs et al., 2010)

Malcolm and Gabor, (2013) have talked about the present scenario where the existing cycles of consumer habit and generation are moving towards a diminishing end. Hence, is having become a necessarily for the organizations to improve the experience of their employee, their skills and capabilities. Even the new-age employees are themselves willing to acquire the knowledge and skillets for further development and ease of work process. It needs to be made sure that the employees hold a perception that they are being groomed, developed and engaged with the industry. This has a direct impact on the motivation levels of the employees and their willingness to continue in the organization for a long duration.

As per the study conducted by Gaza, (2015), it can be said that the most significant issues arising in front of the organizations are lack of employee education and their development. Factors like these have a direct and significant impact on the profitability of the organization. Since profitability has a direct relationship with employee productivity, the organizations must strive to improve the efficiency and productivity of their employees, which can be done by conducting learning and development activities. These L&D activities and training modules have a direct impact on boosting the capabilities of the employees and improves their performance. Irrespective of the size of the company, whether it is a small business with 4-5 employees or an FMCG chain, the root cause for profitability and sustainable of an organization in the industry can be directly linked to the employee satisfaction, which can be improved by providing training and conducting learning and development activities on a regular basis.

According to Singh (2015), there is currently a high demand for competent and skilled human resource workforce and the organizations are realizing the importance of people as a resource in this current, ever evolving age.

RESEARCH METHODOLOGY

Research Design

The population for this study is derived from Fast moving consumer goods sector in India. It is therefore practically impossible for us, as researchers, to reach out to thousands of employees for investigation purposes. Just for the ease of data collection and analysis, we divided the entire population of employees in three distinctive categories- Strategy and C-Suite employees, Middle Management and lower level employees. For this study, we majorly targeted the latter segments, i.e. Middle and lower level employees.

Sample Size

The sample size for this study is 100 middle and lower level employees from the leading national FMCG companies like HUL, ITC, Cipro, Patanjali, Parle Ago, Amul, Dabur etc.

Participants

Data for this study was collected through a questionnaire which was distributed through convenience sampling among the employees currently associated with FMCG organizations on a voluntary basis. This study sample consists of 100 employees, from diverse organizations in the FMCG sector. Participants in this study are 55 percent males and 45 percent females. Also, a majority of employees were full time workers while some of them worked in part-time capacity. The largest group of people belonged to the age group of 20 to 50 years.

Sample Procedures

For this study, the techniques of convenience sampling and intentional sampling were used to collect the data sample and determine sample size. We decided to go for convenience sampling because in this manner, the people were easier to reach out to, and it saved both time and effort. However, in order to not miss on the specific industry insights, we also consciously decided on 15 employees from the middle management of leading FMCG companies using Deliberate and Intentional sampling

Research Instrument

For the purpose of gathering data from the respondents, Questionnaire as the main instrument for collecting data was used in this study. A lot of information was needed for this research from every single respondent. Since the time span for the study was limited, to no. of respondent to be targeted were large, so we decided to develop a questionnaire on the basis of information gathered from the available literature. The questionnaire was then distributed randomly, and we also shared the insights on the purpose of this study to attract their attention and corporation in filling the questionnaire accurately.

Data Gathering Procedures

The data was collected through survey from 100 employees from various leading companies in the FMCG sector. This survey was conducted manually. The researcher were also responsible to get in touch with the respondent in case of any confusions and must assist them in order to properly complete the served.

Measures

There were two broad segments in the questionnaire. The first section was designed in a way to collect details and personal information about the respondent. Fields like constituted as a part of the first segment. The second

segment had questions on the items of independent variables (L&D activities, types, duration, frequency) and dependent variable, i.e. employee retention. We also considered intervening variables like reward and remuneration, as well as the support that the employees receive from their supervisors.

Outcome

Through this research, we found out that the Learning and Development Activities play a significant role in the employee retention in FMCG sector. The FMCG companies should focus more and more on enhancing the skill set of employees so that they feel more confident in their job roles and improves their productivity in the company. This will ultimately lead to employee satisfaction and improve employee retention.

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