

Study on Causes and Effects of Employee Turnover in Construction Industry

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Abstract: *The term “employee turnover” is a crucial metric that's usually central to organizations workforce planning and strategy. the explanations why staff leave their current positions; not simply the actual fact that they leave have crucial implications for future retention rates among current staff, job satisfaction and employee engagement and an organization’s ability to draw in proficient folks for job vacancies. The impact of turnover has received substantial attention by senior management, human resources professionals and construction engineers particularly project engineers in construction projects. It's tried to be one among the foremost expensive and ostensibly intractable human resource challenges braving many organizations globally. The aim of this analysis is so, to seek out the particular reasons behind turnover and its damaging effects on the development industries in Kerala. To explore turnover in larger detail, this text can examine the most sources of turnover rate, its effects and advocate some ways on however a company will retain staff and scale back turnover rate in housing industry in Kerala. The results of this study area unit expected to be helpful for numerous construction firms for taking remedial measures to scale back the worker turnover that is the major resource in determining the general success of a project.*

Keywords: Employee turnover, Staff turnover, Employee turnover in construction, Causes and effects of employee turnover, Employee retention strategy.

1. Introduction

With the result of globalisation within the world, it's been touted that each organization can need to manage their employee turnover methodically. the construction industry faces major challenge within the higher turnover rate, which might cause severe result within the overall work progress and also the price. To fulfil the essential requirements of giving a secure atmosphere, sensible pay associated in economic method is extremely troublesome and cumbersome to a corporation. The accomplishment procedure within the construction industry isn't therefore encouraging; construction firms should improve their strategies of holding their managers and engineering supervisors. A culture of quality has emerged within the trade that has and to a workforce of company mercenaries that without emotion drift from job to job. an investments to retain staff is also fruitful, by creating the professionals additional productive. Thus, the migration of the project managers/ engineers is a vital issue to be thought of and handled carefully, for the made completion of the development comes with the expected economic process. It is additionally found that the majority of the available retention studies are carried out in other developed countries; so, within the present study it's projected to hold out analysis to spot the factors that influence the migration of the staff within the prevailing work atmosphere within the construction firms in Kerala also the study suggests the retention measures for the engineers.

2. Causes of Employee Turnover.

A. Perceived Alternative Employment Opportunity

Perceived alternative employment chance, conjointly referred to as perceived easy movement, is that the perception of the provision of job alternatives .This perception is an uncontrollable issue as a result of it is closely related to the external surroundings, cherish availability of job vacancies and percentage, and it reveals the significant relationship

between convenience of jobs and voluntary turnover [1]. In addition to the market condition, academic background could have an effect on the perception too. 26 % the Engineers within the housing industry considers their employment opportunities because the reason for ever-changing the duty. The personnel with higher academic background perceived additional employment opportunities. Higher educated personnel could take into account their qualification as a competitive advantage over less educated personnel by having additional choices of different positions

B. Fringe advantages

A fringe benefit is an indirect reward given to a worker or group of workers as a section of organizational membership, which affects performance and retention of workers[2]. Benefits coming up with are an important part of human resource coming up with processes on account of huge prices and also the monetary commitment created for the long run. Twenty third of the workers like the corporate that provides the extra facilities to the workers. Conjointly 6 percentages of the workers relives because of lack of money leaves and medical leaves.

C. Pay Satisfaction

Pay is some things given in exchange for services rendered in a company. It has a vital role in holding and gratifying prime quality workers however at the expense of the labour prices for any organization [3]. There are two classes of pay coupled with job satisfaction; one is satisfaction with pay by itself and also the different, the prospects of economic rewards within the future for employment performed well. There is a long interest of two things that are correlative with job satisfaction [4]. Twenty percentages of the workers finding that the pay scale and also the remuneration supported the work are the important factors for the worker turnover. 16 % of the workers value more highly to keep in job if their amount of remuneration increment is acceptable.

D. Unionization

Employee movement is related to lower turnover. Lower turnover could be results of the power of unions to secure higher operating conditions therefore increasing the attractiveness for staff of staying in their current job [5]. In keeping with Martin, the link between lower turnover and establishment has been well established by researchers mistreatment each industry-level and individual knowledge [6]. Establishment and higher operating condition will cut back turnover, twenty percentage suggesting lack of the higher operating condition causes turnover.

E. Career Promotion satisfaction

All businesses use pay, promotion, bonuses or different kinds of rewards to encourage high levels of performance. Lack of promotion and mundane work task considerably contributed to employees' intention to go away a company [7]. By adopting "job enrichment" programs, several employers were able to retain workers and supply higher career advancement opportunities. Besides promotion opportunities, ever-changing the choice and analysis criteria accustomed rate promotion and reward systems conjointly had a positive result on intentions of workers deed the organization. Ineffective performance appraisal and coming up with systems contributed to employees [8]. Perceptions of unfairness and that they were additional seemingly to think about deed the organization. Survey result suggests ten percentages of the workers think about promotion as their reason for experience the work. These peoples are desires to remain within the job which provides them the correct skilled opportunities.

F. Influence of co-workers

Co-workers' intentions have a major significant impact on all destination choices - the additional positive the perception of their co-workers want to go away, the additional workers themselves wished to go away [9]. Three percentage of Engineers suggests that a sense concerning co-workers' intentions to alter jobs or geographical point acts as a kind of social pressure or justification on the worker to create a move.

G. Job Satisfaction

Workers having job discontent leave their current leader additional simply. The link between job satisfaction and turnover is stronger once the time span between administration of the form and assessment of the turnover is shorter. From this study most of the workers are happy with their job [10]. Thirteen percentages of the workers have neither happy nor unhappy. Eighty seven percentages of the employs from the present study were happy with their job.

3. Problems Related to Employee Turnover

a) Increased work load

The entire document should be in Times New Roman or Times font. Type 3 fonts must not be used. Other font types may be used if needed for special purposes. The loss of employees can result in increased work load to the other employees in the company [11]. 63.33 % employees suggest that the employee turnover in their company leads to increased work load. Only 10 percentages of the employees had not increased their work load.

b) Training and development cost.

Training and development in each of the construction company costs more as compared to the salary increment of the current employees [12]. 63 % point out that the new employees need training to do the job effectively. Also the new employees take more time to develop into skilled Engineers.

c) Low Morale

Morale in high-turnover firms is usually weak. Company culture is that the shared norms and value of a group of workers who work along. Motivating your workers to share the vision of your business and perform at high levels is tough once colleagues and colleagues are vanishing all around them. Workplace relationships are key to an employee's satisfaction with work. As friends and colleagues leave, remaining workers perpetually got to cycle through the method of going to understand new workers [13]. 53 % the workers are more acutely aware regarding the opposite mitigated employees who got additional higher level job.

d) Productivity

High rates of employee turnover will cause lower employee productivity. Employees who have additional expertise at a definite company are additional aware of the company's policies, goals and the way to meet their roles within the company. New employees typically need time to be told the way to fulfil their roles; since firms with high turnover can tend to possess additional inexperienced employees, they may conjointly suffer from lower employee productivity [14]. Little firms with few total workers might notice it particularly troublesome to interchange employees, as employees might fill a spread of various specialised roles. 40 % of the Engineers suggest that the productivity decreases due to the Employee turnover.

e) Management Frustration

Managers quickly get frustrated with the constantly revolving of employees. 40 % of the employees contribute to longer-term employees getting upset and leaving. Plus, poorly equipped and developed employees place more burdens on the manager to work hands-on in the business or store [15]. This takes away from his decision-making and supervisory duties.

f) Customer Service

High turnover will damage a business ability to retain clients and supply high-quality customer service. Customers might feel more comfortable talking to a similar staff and client service representatives over time [16]. Personal relationships and familiarity will build client loyalty. Tiny businesses are higher positioned than giant competitors to require advantage of this, however if employees are perpetually feat and being replaced by new ones, it may limit the power of the business to make a powerful rapport with customers. 30 % of the employee points that the customers may need quitted employees.

g) Poor Performance

High turnover the basic the fundamental level of expertise across your organization is below it otherwise would be. Workers with less information and less expertise in your business and with their jobs will not produce moreover as

people who apprehend additional regarding what they are doing. During a production job, the efficiency of production is probably going lower [17]. In sales and repair jobs, sales results and repair satisfaction ratings are affected. 16 % workers felt issue to finish the duty inside the estimated time.

h) Costs

High prices are one of the additional mentioned negatives of high turnover. When a worker leaves and is replaced, there are prices related to the method of losing the primary worker and hiring and coaching the new one. It will value regarding half of an unskilled worker's remuneration to switch a lost worker [18].

4. Analysis

The questionnaire survey is conducted as pdf fillable form format. The response was 30 out of 94 respondents. The data is analysed on the turnover causes and its effects. The results are as given below.

| | | |
|------------------------|---|-------|
| Pay satisfaction | 6 | 20.00 |
| Labour unions | 6 | 20.00 |
| Promotion satisfaction | 3 | 10.00 |
| Task significance | 3 | 10.00 |
| Co-worker satisfaction | 1 | 3.33 |
| Skill variety | 1 | 3.33 |

Table 2: Effects of employee turnover

| Employee turnover and its effects | Response /30 | percentage Response |
|-----------------------------------|--------------|---------------------|
| Increased work load | 19 | 63.33 |
| Training and development cost | 19 | 63.33 |
| Others job opportunities, salary. | 16 | 53.33 |
| Loss of skilled employees | 16 | 53.33 |
| Decreased productivity | 12 | 40.00 |
| Management frustrations. | 12 | 40.00 |
| Problems in team work | 11 | 36.67 |
| Clients needs | 9 | 30.00 |
| Other employees attitude | 8 | 26.67 |
| low work progress | 6 | 20.00 |
| Delayed work | 5 | 16.67 |
| Loss of company status. | 2 | 6.67 |

Table 1: Causes of employee turnover

| Causes of employee turnover | Employee Response/30 | Percentage Response |
|--------------------------------|----------------------|---------------------|
| Other employment opportunities | 8 | 26.67 |
| Other benefits | 7 | 23.33 |

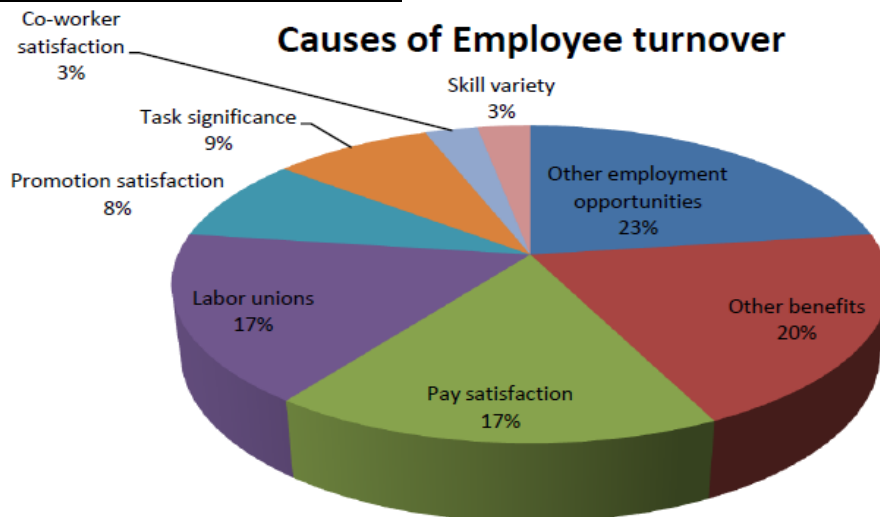


Figure 1: Employee turnover and its causes

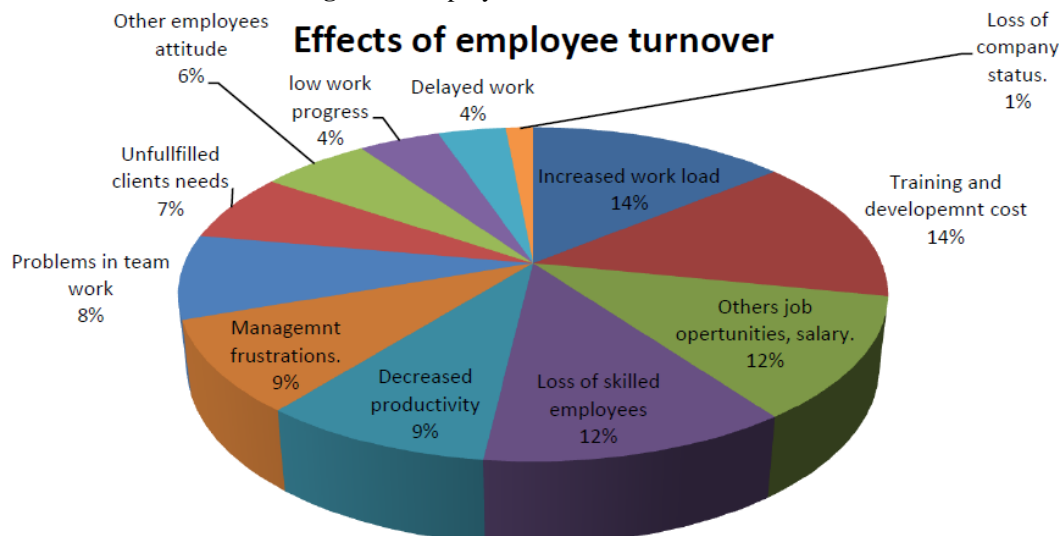


Figure 2: Effects of Employee Turnover

A. Strategies to Minimize Employee Turnover

It is continually important to stay key people in a corporation. The best organizations style, implement and leverage systems that find warning signals projected by unhappy employees and thus, managers and organizations ought to attempt by all suggests that to be prior to their competitors in holding their workers by learning a way to specialize in key worker satisfiers and dissatisfiers. Round the world, discontentment with financial gain is one in all the foremost causes of workers leaving a company. Therefore, it's imperative for an organization to develop retention plans, together with relationship building with the key employees.

1. Recruit Suitable Employees and Retain Valuable Employees
2. Provide suitable pay scale.
3. Organizational Factors, promotion satisfaction, organization Culture.
4. Effective Leadership.
5. Task significance and clear job expectations. Training and Development.
6. Job Satisfaction
7. Balancing Work and Family Life

5. Conclusions

Employee turnover is a major problem in the construction industry. The main causes of turnover are pay satisfaction, other benefits obtained from the company and alternative employment opportunities. The employees were also curious about their work environment and the working atmosphere. Employee turnover effects the organisation as well as the other employees who were part of it. It increases the workload of the other employees. The company may face challenges due to the decreased productivity and lack of the skilled employees. Also leads to problem in team work and can cause problems in managing the work. Loss of the client's satisfaction and it also leads to less work progress ultimately leads to increased construction cost.

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