

A STUDY REPORT ON CAUSES AND EFFECTS OF EMPLOYEE TURNOVER IN CONSTRUCTION INDUSTRY

Mr. A.VARADHARAJ, Mr. IRFAN EC

Assistant Professor, Department of Civil Engineering, RVS Technical Campus, Coimbatore-600025, India
P.G. Student, Department of Civil Engineering, RVS Technical Campus, Coimbatore-600025, India

Abstract - The term "employee turnover" is an important metric that is often central to organizations workforce planning and strategy. The reasons why employees leave their current positions; not just the 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 attract talented people for job vacancies. The impact of turnover has received considerable attention by senior management, human resources professionals and construction engineers especially project engineers in construction projects. It has proven to be one of the most costly and seemingly intractable human resource challenges confronting several organizations globally. The purpose of this research is therefore, to find out the actual reasons behind turnover and its damaging effects on the construction industries in Kerala. To explore turnover in greater detail, this article will examine the main sources of employee turnover, its effects and recommend some strategies on how an organization can retain employees and reduce employee turnover in construction industry in Kerala. The results of this study are expected to be useful for various construction companies for taking remedial measures to reduce the employee turnover which is the major resource in determining the overall success of a project.

Keywords: Employee Turnover, Human Resource, Construction industry, Questionnaire Survey, Kerala - India, Interviews

1. INTRODUCTION

1.1 FOCUS OF THE PAPER

With the effect of globalization in the world, it has been touted that every organization will have to manage their employee turnover methodically. The construction industry faces major challenge in the higher employee turnover rate, which can cause severe effect in the overall work progress and the cost. To meet the basic necessities of offering a safe environment, good pay and benefits in an economic way is very difficult and cumbersome to an organization. Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals.

This thesis work is mainly focused on the causes and effects of the higher employee turnover rate and it is done by studying the current effects to the construction industry in Kerala. Study is conducted by questionnaire survey among the various employees working in construction industry in

kerala. These studied variables include occupational content, leadership styles and job satisfaction. One of the greatest challenges for today's managers lies in building a workplace that employees want to remain with and outsiders want to be hired into. Therefore, an employer's foremost responsibility is retention of its best employees and this can be achieved only by keeping the employees satisfied and motivated. This paper helps in identifying the various determinants of job satisfaction and suggests some strategic initiatives which contribute to job satisfaction and ultimately to employee retention.

According to a survey made in India, the attrition rate of employees in the construction sector is about 20 to 25 % (Construction World, 2008). Employee attrition results in loss of productivity, profit, time, resources etc. The employees working for a longer period of time in the same company will be more familiar with the company's individual serving an organization for a longer span would be more loyal towards the management and the organization. Thus, retention of employees is important for the firm's performance. If the company is not able to retain the employees, it will not be able to capitalize on the human assets developed within the organization. It is therefore imperative for the management to reduce to the minimum, the frequency at which employees quit the organization.

The recruitment procedure in the construction industry is not so encouraging; construction companies must improve their methods of retaining their managers and engineering supervisors. A culture of mobility has emerged in the industry which has led to a workforce of corporate mercenaries that coldly drift from job to job. Training investments to retain employees may be fruitful, by making the professionals more productive. Thus, the migration of the project managers/ engineers is an important factor to be considered and handled carefully, for the successful completion of the construction projects with the expected economic growth.

The construction industry is a fine example of the project environment, with a high level of complexity due to the heterogeneity of the working force. Most of the activities are small jobs done by a human workforce outsourced by many vendors. So the knowledge lies with the engineers at the site to lead the company's projects successfully. It takes an effort by the anchoring company, which is the primary contact point to maintain the right kind of relationship with quality vendors, who can fulfil their promises on time, at the right

cost, and with the prescribed quality. They will become coaches to reliable vendors to serve them on an ongoing basis. These engineers will have to be retained; otherwise, the knowledge gained in different projects is lost by the company by losing these engineers.

From the review of earlier studies, it is understood that most of the Indian construction companies especially in Kerala region do not follow any effective retention strategy, which clearly defines the need for this study. It is also found that most of the available retention studies are carried out in other developed countries; therefore, in the present study it is proposed to carry out research to identify the factors that influence the migration of the employees in the prevailing work environment in the construction companies in Kerala. Subsequently, the study suggests the retention measure for the engineers.

1.2 NEED FOR THE STUDY

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1.3 OBJECTIVES

The objective of the research study is to collect the multiple perspectives of the issues, leading to the migration and retention of the civil engineers in the construction industry. To achieve this objective, the following tasks are to be performed:

- To identify the factors which contribute to the migration of engineers in the construction industry.
- To study the influence of the individual parameters that lead to the migration of engineers.
- To understand the effects of employee turnover to the construction firm.
- To provide suggestions for employees' retention, based on the responses obtained from various construction organizations.

1.4 SCOPE OF THE STUDY

The following are the scope and limitation of this study.

- In this study, the respondents are selected from construction companies and they are working as design engineers, quantity surveyors, surveyors, drawing engineers, planning engineers, site engineers, and site managers.
- The study was conducted in constructions sectors in the construction companies. The scope of the study is restricted to the study of engineers in Kerala. As such, the findings may change if the study were to be applied to a different area.
- The study is limited to exploring the causes and effects of employee turnover within the context and organizational culture in the construction sector.
- Factors were identified and presented to the construction professionals in the form of a questionnaire.

Employee turnover is divided into mainly these groupings: types of employee turnover, causes of employee turnover, problems of employee turnover and strategies to minimize employee turnover.

1.5 TYPES OF EMPLOYEE TURNOVER

1.5.1 Voluntary Turnover

When employees leave an organization at their own discretion, it is referred to as voluntary turnover. It is initiated by the choice of the employee. An instance of voluntary turnover, or a quit, reflects an employee's decision to leave an organization, whereas an instance of involuntary turnover, or a discharge, reflects an employer's decision to terminate the employment relationship". Voluntary turnover, it can be affected by a lack of job satisfaction, job stress as well as alternative opportunities. It is thus important to consider attractions such as alternatives when looking at voluntary turnover. However, voluntary turnover can be predicted and, in turn, be controlled.

1.5.2 Involuntary Turnover

Involuntary turnover is the instance of involuntary turnover, or a discharge" that "reflects an employer's decision to terminate the employment relationship". Involuntary turnover includes retirement, death and dismissal. It further state that turnover initiated by the employee such as resigning to take care of a terminally ill family member or accompanying a spouse to another area should also be considered as involuntary as it includes reasons over which the employee has no control. Another definition states that involuntary turnover includes the need to cut costs, restructure or downsize due to reasons which are independent of the affected employees. This represents a decision or choice made by the employer. It appears that the distinction between voluntary and involuntary turnover is important but not straightforward. Reasons for turnover may be misinterpreted. Employees leaving an organization may wish not to disclose the real reasons for leaving as they are dependent on the organization for future reference and this would of course only come to light during the exit interviews. Interviewers may not want to put the organization or the employee in a bad light.

1.5.3 Avoidable and Unavoidable Turnover

It is also important to distinguish between avoidable and unavoidable turnover as this too will determine the intervention needed to address the issue of employee turnover. Unavoidable turnover results from life decisions that extend beyond an employer's control, such as a decision to move to a new area or a job transfer for a spouse. Avoidable turnover is something organizations can prevent by hiring, evaluating and motivating their employees more effectively. It is important to determine whether the organization is dealing with voluntary turnover that could have been prevented. Such information is important as it will direct the organization to the type of intervention needed to enhance the retention of employees. The phenomenon of turnover is psychological, organizational and costly. There is presently no accepted model for understanding the process of turnover as a whole. A variety of factors are used to evaluate the causes of employee turnover. This includes personal factors, job content factors, work environment factors and external factors.

1.5.4 Organizational factors

High turnover in an organization has been attributed to instability in the management of an organization. Employees are more inclined to stay and work when the organization is stable and the work environment is consistent. In organizations where there was a high level of inefficiency there was also a high level of staff turnover. Employees are more susceptible to work in an organization when predictability and stability is in force and consistent career growth will minimize employees from switching to other organization. The imposition of a quantitative approach to managing the employees led to disenchantment of staff and hence it leads to labor turnover. Therefore management should not use quantitative approach in managing its employees. Adopting a cost oriented approach to employment costs increases labor turnover. All these approaches should be avoided if managers want to minimize employee turnover. Employees have a strong need to be informed. Practicing strong communication system between employees and employer could ultimately lower turnover of staff. Employees feel comfort-able to stay longer, in positions where they are involved in some level of the decision-making process. That is employees should fully understand about issues that affect their working atmosphere. But in the absence openness' in sharing information, employee empowerment the chances of continuity of employees are minimal. A high labor turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit.

1.5.5 Job related Factors

Presently, there has little empirical evidence which suggests that diversity of employee will reduce turnover. There are instead much evidence to support employee turnover due to poor management and lack of consistent evidence to support why employees leave one organization and move to another. Employees quit from organization due to economic reasons. Using economic model they showed that people quit from organization due to economic reasons and these can be used to predict the labor turnover in the market. Good local labor market conditions improve organizational stability. Many large organizations are able to retain employees mainly because of their size and also providing better chances for advancement with higher salary and benefits ensuring smooth career advancement. Links to the organization are the relationships that the individual has with the organization (e.g., department, work team) and the relationships that they have with others at work (e.g., coworkers, boss, and mentor). The links to the community include the ties that the individual has in the area especially with friends, relatives and organizations. Fit with the organization assesses how the individual perceives their work in the organization and whether the individual feels that there is congruence between what she wants to do or can do and what she is

actually doing. However “turnover may matter more in organizations where jobs are not standardized and procedures do not exist for transmitting knowledge to new members”.

1.6 CAUSES OF EMPLOYEE TURNOVER.

1.6.1 Job Satisfaction

Job satisfaction was related to resignations. Thus employees having job dissatisfaction leave their current employer more easily. The relationship between job satisfaction and turnover is stronger when the time span between administration of the questionnaire and assessment of the turnover is shorter. The military personnel have strong binding relationship with his job satisfaction and retention as compare to civilians. The relation between job satisfaction and employee turnover is reciprocal to each other and this relationship is high when unemployment rate is low in the society and similarly low when unemployment rate is high. Even though people are not satisfied with their jobs, they will be less likely to quit if there are few alternatives.

1.6.2 Pay

Pay is something given in exchange for services rendered in an organization. It has an important role in retaining and rewarding high quality employees but at the expense of the overall labor costs for any organization. Also, by binding pay with performance, an employer can monitor and control specific activities and level of performance. Sourcing specific talents for a niche job can be overcome by recruiting talents across the globe. Conversely, employees need to prove their worth in order to stay longer with the organization by providing quality work or else run the risk of getting terminated. Pay has a strong determination to job satisfaction. There are two categories of pay linked with job satisfaction; one is satisfaction with pay by itself and the other, the prospects of financial rewards in the future for a job performed well. There is a longstanding interest of two items which are correlated with job satisfaction. In order to achieve higher productivity, the influence of pay and job satisfaction as a denominator cannot be over emphasized.

1.6.3 Career Promotion

In general terms rewards program come within the overall concept of compensation strategies which are defined as the “deliberate utilization of the pay systems as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of an organization’s strategic objectives”. All businesses use pay, promotion, bonuses or other types of rewards to encourage high levels of performance. Lack of promotion and mundane work task significantly contributed to employees’ intention to leave an organization. By adopting “job enrichment” programs, many employers were able to retain employees and provide better career advancement opportunities. Besides promotion opportunities, changing the selection and evaluation criteria used to rate promotion and reward systems also had a positive effect on intentions

of employees leaving the organization. Ineffective performance appraisal and planning systems contributed to employees’ perceptions of unfairness and they were more likely to consider leaving the organization.

1.6.4 Fringe Benefits

A fringe benefit is an indirect reward given to an employee or group of employees as a part of organizational membership, which affects performance and retention of employees. Benefits planning are a critical component of human resource planning processes on account of enormous costs and the financial commitment made for the future. At the organizational level, a fringe benefit is critical in attracting, retaining and motivating the employees to continue contributing towards organization’s success. The reason being is that fringe benefits are important to influence individuals’ choice to work with an organization. Many organizations not only use the fringe benefits to reward and recognize employees’ efforts and contributions, but also as a motivational tool to improve employees’ productivity through improving job performance, impeding the intention to leave and increasing career satisfaction. Fringe benefits have traditionally been designed to attract and retain employees and to motivate them to increase their effort and outputs toward the achievement of organizational goals.

1.6.5 Management

The relationship between managers and employees influences employees’ decision to staying a job. Research shows that supervisors and managers have an important impact on employee turnover. The length of time that employees stay in an organization is largely determined by the relationship between employees and their managers. Employees value certain factors about managers. Firstly employees desire managers who know and understand them and who treat them justly. Employees also prefer managers who can be trusted. If employees feel that their managers are fair, reasonable and supportive, levels of job satisfaction increase. Secondly, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction increases. Furthermore, autonomy is valued by employees and decreases turnover.

1.6.6 Job Fit

Job fit is the process of selecting is about the fit between the applicant and the job. It reveal that levels of job satisfaction will increase if there is a good fit between the applicant’s personality and the job. It is important that there is a good fit between what the applicant wants and what the institution needs. “Almost half of the employees who voluntarily quit their jobs within a year cited a wrong fit as the reason to leave”. Therefore, a mismatch between what employees want and what employees get can only be solved through turnover or a transfer which can be costly as it probably involves staff training. Also candidates who accept a position

in an organization and who cannot marry their value system with that of the organization usually do not stay long or they are not productive.

1.6.7 Personality

Dispositional variables are seen as personality attitudes, characteristics, preferences, motives and needs that lead to the tendency to respond to a situation in a predetermined way. The personality might affect the experience of emotional happenings at work which, in turn, may influence job satisfaction. Also an individual's emotional state predicts satisfaction level over time and across different circumstances. An emotionally mal-adjusted employee is more likely to be dissatisfied in all situations. Since this discovery there has been much interest in the link between job satisfaction and individual dispositions. Industrial psychologists did not see the usefulness of character measures in predicting job satisfaction. It appears that personality does indeed have an impact on job satisfaction.

1.6.8 Perceived Alternative Employment Opportunity

Perceived alternative employment opportunity, also known as perceived ease of movement, is the perception of the availability of job alternatives. This perception is an uncontrollable factor because it is closely associated with the external environment, such as availability of job vacancies and unemployment rate, and it reveals the significant relationship between availability of jobs and voluntary turnover. In addition to the market condition, educational background may affect the perception too. The workforce with higher educational background perceived more employment opportunities. Higher educated workforce may consider their qualification as a competitive advantage over less educated workforce by having more choices of alternative positions.

1.6.9 Unionization

The effect of unions on labor turnover and found clear evidence that unionism is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better working conditions thus increasing the attractiveness for workers of staying in their current job. According to Martin, the relationship between lower turnover and unionization has been well established by researchers using both industry-level and individual data.

1.6.10 Influence of Co-Workers

Co-workers' intentions have a major significant impact on all destination options - the more positive the perception of their co-workers desire to leave, the more employees themselves wanted to leave. The researchers suggest that a feeling about co-workers' intentions to change jobs or workplace acts as a form of social pressure or justification on the employee to make a move.

1.7 PROBLEMS RELATED TO EMPLOYEE TURNOVER

This section introduces the findings related to the issues caused by employee turnover. While losing employees that are poor performers or negative influences on workplace morale can have positive effects, unplanned and frequent employee turnover is generally regarded as bad for business. High turnover rates typically mean companies are doing a poor job selecting the right employees, failing to provide a motivating work environment or losing out to employers that offer better pay and benefits.

1.7.1 Loss of knowledge of project background

The issue, related to the employee turnover, that was named as the most critical one by most of the interviewees was loss of knowledge of the project background. It was noted by the interviewees that when a new person steps into a project, he or she receives access to the project documentation. The documentation provides information about all the decisions made before within the project so far. However, an interviewee explained that the context of a decision is essential for understanding it: "you get the decision but you don't get the real facts or feelings behind it. You want to know how it worked and how it played. The context. You need that to make a good decision next time". The context, nevertheless, is not reported in the documentation, which makes it more challenging for a newcomer to continue the project work uninterrupted.

1.7.2 Loss of time

Loss of time was claimed to be a direct cause of the employee turnover and the lack of project context: "you lose time per definition, when you change over people". As several interviewees noted, a change of one person is not affecting the project dramatically, but "it always takes time to learn how to communicate with people, to build a team, to work together", as an interviewee said. Learning the project history is also time-consuming, because one has "to transfer a lot of information". As a consequence, the project team can lose their pace, but as long as the team helps the newcomer, they get back to the normal pace with no harm to the project.

It was agreed by the interviewees that the effects of the staff rotation become more noticeable if it occurs during the later project stages due to the faster pace that can be observed then. During the later phases, the team members do not have much time to explain their reasoning for decisions.

It is noteworthy that time loss was not discussed in the literature reviewed, among other consequences of the employee turnover. However, it was indirectly addressed in several other outcomes such as costs of training of new staff, additional workload for remaining staff during employment and training of new personnel, and others. Unlike the academic researchers, the Volvo Car Corporation employees saw this issue urgent enough to mention it as a separate outcome rather than an indirect consequence of staff rotation.

1.7.3 Loss of team culture

A change of one employee can be managed with no significant losses to the team, provided it is managed well. On the other hand, if a turnover of several team members takes place within a short period of time, the consequences can be much more dramatic. Therefore it can be concluded that the company learned how to succeed in a single employee turnover cases, but still finds it challenging when multiple staff rotations happen. The employee turnover within projects is without doubt a very complicated and challenging issue. However, the participants of this research have also paid attention to the situation when changing a team member can have positive impacts on the team and the project. These are presented in the following section.

1.7.4 Decreased performance

One of the simplest but highly impacting negative effects of turnover is decreased performance in the workplace. In their December 2007 Harvard Business School article "Managing the Impact of Employee Turnover on Performance: The Role of Process Conformance," Zeynep Ton and Robert S. Huckman cite a 48-month study conducted in a large United States retail chain that revealed that both profit margin and customer service were adversely affected by turnover. Less experienced workers are less likely to sell higher value solutions and deliver optimized service.

1.7.5 Unfulfilled daily functions

Many of the negative effects of turnover relate to performance quality, but the "Encyclopedia of Business" points out companies with higher turnover may struggle to complete all necessary or important daily functions. For instance, if it takes 10 workers to complete a given work task or function in a day, and only seven workers are currently employed in that area, the company has to figure out how to deal with the unfulfilled daily work requirement.

1.7.6 Costs

High costs are one of the more discussed negatives of high turnover. Every time an employee leaves and is replaced, there are costs associated with the process of losing the first employee and hiring and training the new one. The Rain Maker Group indicates that it can cost about one-half of an unskilled worker's salary to replace a lost employee. Replacing a technically skilled employee or a high level manager can cost as much as three to five times the annual salary. Training costs are commonly discussed, but many people forget costs to complete exit interviews, market new openings and complete necessary background, reference and drug checks.

1.7.7 Productivity

High rates of employee turnover can lead to lower worker productivity. Workers who have more experience at a certain company will be more aware of the company's policies, goals and how to fulfill their roles in the company.

New workers often require time to learn how to fulfill their roles; since companies with high turnover will tend to have more inexperienced workers, they may also suffer from lower worker productivity. Small companies with few total employees may find it especially difficult to replace workers, as workers may fill a variety of different specialized roles.

1.7.8 Customer Service

High turnover can harm a business's ability to retain customers and provide high-quality customer service. Customers may feel more comfortable talking to the same employees and customer service representatives over time. Personal relationships and familiarity can build customer loyalty. Small businesses are better positioned than large competitors to take advantage of this, but if workers are constantly leaving and being replaced by new ones, it may limit the ability of the business to form a strong rapport with customers.

1.7.9 Low Morale

Morale in high-turnover companies is typically weak. Organizational culture is the shared norms and value of a collection of employees who work together. Motivating your employees to share the vision of your business and perform at high levels is difficult when colleagues and co-workers are vanishing all around them. Workplace relationships are key to an employee's satisfaction with work. As friends and co-workers leave, remaining employees constantly have to cycle through the process of getting to know new employees.

1.7.10 Poor performance

High turnover means the basic level of experience across your organization is lower than it otherwise would be. Employees with less knowledge and less experience in your business and with their jobs won't produce as well as those who know more about what they are doing. In a production job, the efficiency of production is likely lower. In sales and service jobs, sales results and service satisfaction ratings are affected. The major challenge is that high turnover contributes to a downward spiral that is tough to get out of, since poor performance leads to poor business results, which often forces your company to freeze salaries or cut back on training.

1.7.11 Management Frustration

Managers quickly get frustrated with the constantly revolving door of employees. In retail, for instance, a manager finds himself spending so much time hiring and training new employees he can't coach and develop those who have been around. This contributes to longer-term employees getting upset and leaving. Plus, poorly equipped and developed employees place more burden on the manager to work hands-on in the business or store. This takes away from his decision-making and supervisory duties.

1.7.12 Distractions

One of the worst effects of high turnover is that it requires focus to fix. Some businesses hire consultants to help get out of a turnover rut. As you invest time, money and resources to correct high turnover, you take away from diversifying your business, marketing to new customers and improving on performance.

1.8 STRATEGIES TO MINIMIZE EMPLOYEE TURNOVER

It is always important to keep key people in an organization. The best organizations design, implement and leverage systems that detect warning signals projected by dissatisfied employees and therefore, managers and organizations should try by all means to be ahead of their competitors in retaining their employees by learning how to focus on key employee satisfiers and dissatisfies. Around the world, dissatisfaction with income is one of the major causes of employees leaving an organization. Therefore, it is imperative for an organization to develop retention plans, including relationship building with the key staff.

1.8.1 Recruit Suitable Employees

Recruitment is aimed at providing a pool of potential employees from which the organization can select the required number in accordance with job requirements. Therefore, if the organization wants to reduce employee turnover, it has to ensure that the right people for the job are recruited. The ability to recruit and retain employees with expertise may be influential on other workers in terms of arriving at a decision to stay and in the process help them to positively identify themselves with the organization as a result of the kind of support that they will get from the competent employees. The failure to recruit workers with appropriate competence will doom the firm to failure or, at the very least, to stunted growth.

1.8.2 Retain Valuable Employees

The best companies make a point that they are attracting and recruiting employees who will make a meaningful contribution. Companies striving to hire the best employees have a competitive edge over others. There should be a thorough scrutiny of employees and only the most suitable applicants should be hired. The quality of an organization's people is always an essential ingredient of successful strategy execution - knowledgeable, engaged employees are a company's best source of creative ideas for the nuts-and-bolts operating improvements that lead to operating excellence. Companies may employ spouses of employees as a strategy for attracting and retaining top talent as this may limit one of the reasons (family) for employees to leave the organization, particularly in technical occupations.

1.8.3 Organizational Factors Including Culture

Constructs such as organizational culture and climate, as well as organizational structure and technology have been

well developed in terms of theory, measurement and empirical linkages to organizational effectiveness, employee work attitudes and productivity, as well as staff turnover. The practices of the organization are another factor that influences the employees to stay. If employees are not satisfied, they may leave. Therefore, the culture of the organization may affect attraction, retention or turnover in the organization.

1.8.4 Economic Factors

Economic theoretical explanations of turnover are based on the premise that employees respond with rational actions to various economic and organizational conditions. National job growth, recessions and the ability to look for employment could affect your worker turnover and retention. For example, if the economic climate is doing well and jobs are flourishing, it may be harder to retain employees if they have other, better job opportunities to assess. On the other hand, if the economic climate is poor and national unemployment rates are high, it may be easier to retain your employees since other job opportunities may be limited. Also, changes in consumer taste can affect demand for the product or service your company provides, which could lead to layoffs or mass hiring that could affect your company's employment rate. The corporate values that your company adheres to could impact your employment rate. If potential employees, for example, hear negative stories in the press about the way your company treats employees, this could affect your recruitment process and what type of candidate you are able to hire. If your employees feel unappreciated or unmotivated to work for your company, this could also affect employment in that these employees may leave for other ventures, or your company's production levels could decrease and layoffs may need to take place.

1.8.5 Effective Leadership

Lack of support, particularly from supervisors, decreases workers' ability to cope with their stressful jobs and increases the likelihood that they will leave their jobs. Management researchers have blamed bad supervision as a prime culprit of turnover. Therefore, it is crucial for an organization to develop its managers in order to improve their leadership skills. Research on the effects of attachment in high stress jobs (such as firefighters, Israeli soldiers) indicates that a supervisor can serve as a secure base, buffering their employees from the trauma of the work they are engaged in. It appears that having a supportive supervisor who is believed to be competent is a significant factor in staying on the job.

1.8.6 Training and Development

It is vital for an organization to create an environment in which important information is freely communicated and in which employees are knowledgeable and perceptive of opportunities for further self-development, various forms of training will logically also be key to an organization's array

of business practices. Training and development has an impact on staff turnover. The challenges associated with the changing nature of work and the workplace environment are as real for the campus as elsewhere. Rapid change requires a skilled, knowledgeable workforce with employees who are adaptive, flexible, and focused on the future. Training also allows associates the opportunity to learn new skills and hone existing skills they bring to the job. Being able to grow in a position and feel good about the job they are doing is important to an individual and their view of the organization. By investing the appropriate training in an employee, they will develop a greater sense of self-worth as they become more valuable to the company.

1.8.7 Clear Job Expectations

When an individual's expectations of the job are not met, the employee may experience job dissatisfaction which could make it difficult for an organization to retain staff. Employees are joining the organizations for different reasons. When some of the expectations by newly recruited staff are not fulfilled, those employees exit the organization. Some employees may not be in a position to tolerate certain managers or supervisors and decide to quit, with some of them exiting in the first few months after they have joined the organization. Some of the employees seem to have been confronted by situations that they were not prepared to encounter.

1.8.8 Job Satisfaction

The content of the work itself is a major source of satisfaction and research related to the job characteristics approach to job design, shows that feedback from the job itself and autonomy are two of the major job-related motivational factors. Once employees realize that they are given authority to participate in the decision-making process when it comes to their field of work, they could be motivated and a desire to continue working for the organization may improve. It also states that turnover studies primarily have established that satisfaction with supervision promotes job retention without necessarily identifying specific behaviors by supervisors that commit employees to the company". However, there are other issues that may keep people satisfied at work, such as pay, colleagues, working conditions and the like.

1.8.9 Balancing Work and Family Life

Organization should find ways to help employees successfully manage their commitments at home and at work and by doing so many retention problems can be avoided. It is imperative for parents to share responsibility when it comes to the caring for the family, for example, parents may take turns to fetch children from school. The research has shown that flexible work-schedules lead to greater work-life balance and can offset work stress. Therefore, organizations should be in a position to provide their employees with the opportunity to work flexible hours.

2. LITERATURE REVIEW

Muhammad Aminu (2005)(1) state that involuntary turnover is lower in organizations with effective staffing practices and good employee monitoring system through performance appraisal as a way to keep track of the contributions of each employee. Economic factors such as availability of alternative jobs are most likely relevant in explaining the turnover process

Henry Ongori (2007)(2) suggests that Employees are the backbone of any business success and therefore, they need to be motivated and maintained in organisation at all cost to aid the organisation to be globally competitive in terms of providing quality products and services to the society. And in the long-run the returns on investments on the employees would be achieved. Management should encourage job redesign-task autonomy, task significance and task identity, open book management, empowerment of employees, recruitment and selection must be done scientifically with the objective of retaining employees.

Foong-ming et al., (2008)(3) state that the long term prospects of internal promotional opportunity are another form of important recognition of one's performance. Knowledge-intensive organizations have less hierarchical layers, and this consequently leads to less opportunity for knowledge workers. The availability of career-inducement programs leading to promotion is hence strong organizational recognition to reduce the intention of knowledge workers to look for other alternatives.

Zeynep Ton et al (2008)(4) find that, on average, employee turnover is associated with decreased performance, as measured by profit margin and customer service. The effect of turnover on performance, however, is mitigated by the nature of management at the store level, where performance depends on the repetition of known tasks, managers can reduce turnover's effect by imposing process discipline through standard operating procedures.

Kuo-Shun Sun (2011)(5) suggests that The quality of the national infrastructures and the construction projects are the important basis to get the high level of living of nationals. An engineering consultant company needs excellent engineers to take and to maintain the quality of the project and competitive edges in the engineering industry. If organizations are to effectively manage turnover of employees, they need to understand how to influence the reasons employees think about quitting.

Ahmad Faisal Mahdi et al., (2012)(6) when employees viewed their jobs as interesting, challenging and gratifying, providing opportunities for autonomy, self-direction and the use of multiple skills and abilities, they are likely to experience a positive emotional state, which in turn, lead them to feel committed to their jobs and organization. For this reason, their intention to leave the current institution will be reduced.

Ms Muskan Khan (2012)(7) suggests that Retirement of experienced employees can cause high rates of turnover and extreme loss in productivity, particularly in industries where there is little competition. Work stress related to particular types of jobs can also cause turnover.

Dr. R. Akila (2012)(8) points that the effective human resource management must be practiced at both strategic and day-to-day levels. HR management practices must reflect company policy as to how it will manage and relate to its employees. The HR strategy should evolve from a transactional support role to partnering in the organizations business strategy. HR must take steps to be aware of employee problems and try to solve them, creatively.

Ramesh Kumar et al., (2012)(9) argue that organizational culture is the most significant in this study, that affects turnover intention. Research group suggest that top management need to make sure that the employees and newcomers are fit into the organizational culture and feel that they are good match with the organization. When newcomers join the organization, top management can provide those.

Humphrey Danso (2012)(10) suggests that the pension benefit is also vital to improve the well-being of workers in the construction industry. Because the employers want to run away from the contribution of pension scheme for their workers, they adopt the strategy of employing large number of workers on casual basis. Provision of annual leave is mandatory in every country and therefore workers should not be denied of such provision to enable them have some benefits after going on retirement.

Dong-Hwan et al (2012)(11) argue that there is a gradual rise in the importance of competent employees in the competitive society and in the fast changing environment. While companies put more efforts into recruiting and managing human resources, there is more turnover taking place. Therefore, strategic approaches to the concern and management of turnover are needed.

Prof. Xu Ming, PhD et al., (2012)(12) suggested that the employees in low-status occupations would have higher rates of turnover than employees in higher-status occupations who are generally well informed and paid.

Dr. Riyaz Rainayee (2012)(13) suggests that among job factors, it was found that employees who perceive lack of challenging assignments and vague team relationships were more prone to leaving their organizations. Organizational commitment, organizational policies, challenging assignments, and salary are the important tools of employee states that the factors quality of work life, job stress, job satisfaction and organizational justice have an impact on the turnover intentions. As turnover intentions are the antecedent of the turnover of the employees. Thus it is important for the organization to design strategies to improve the above factors so that the performance and efficiency of the employees can be improved which can in reduce the turnover intentions ultimately.

Dr Riyaz et al., (2013)(15) findings reveal that the organization needs to provide substantial opportunities for growth and development of their employee at the workplace. Further, there is need to invest in training and create knowledge management panels enabling the employees to share their skills with each other and reinforce their abilities more efficiently. Under this circumstance, leaving his current job has more opportunity cost for the employee and he would likely prefer to stay.

Anantha et al., (2013)(16) states that Job satisfaction has the largest direct effect on turnover intent. Therefore, if factors that attract people to organizations strategies are taken into account the business would be able to survive in a dynamic environment by treating their employees as one of their assets which needs a lot of attention. Employees are the backbone of any organization, they need to be motivated and maintained in an organization at all cost to aid the organization to be globally competitive in terms of providing quality products and services to the society.

Vyas Gayatri et al., (2013)(17) suggests that turnover is a problem that plagues the construction industry and indirectly increases overall costs. Measuring the costs associated with workers leaving the company to seek work elsewhere, and the cost of training new employees to fill those positions, is a valuable tool for determining overall construction performance.

Abhijeet Gadekar et al., (2014)(18) states that Company success and failure is not only extremely disruptive to an industry but may also cause significant rippling effects in an economy. Construction companies are vulnerable to bankruptcy due to the fragmented nature of the industry, high competition, the high uncertainty and risk involved, and considerable fluctuations in construction volume. It is important to recognize any potential company success and failures at the earliest opportunity.

3. METHODOLOGY

The thesis is done by gathering the information regarding the employee turnover and causes and effects of the employee turnover. The literature review is prepared from the various journals regarding employee turnover. The factors contributing to the employee turnover and the effect of employee turnover are identified from the literature.

The questionnaire is designed based on literature review of the study. All of the questions adapt from related research. Questionnaire has a simple and convenient design style with closed questions. The questions extracted from the related literature and they are in accordance with this research, after testing modified them into formal questionnaire.

Job characteristics model related to three underlying psychological states: work meaningfulness, knowledge of results, and sense of responsibility. They identify five cores of job characteristics to be the dimensions namely: skill variety, task identity, task significance, autonomy, and feedback.

The employee turnover have severe effects on the construction companies. These effects are considered and the questionnaire is prepared and the employees are selected in the companies. The effects can be easily monitored to the other employees while the turnover occurs in the company.

4. ANALYSIS AND RESULTS

4.1 Causes of employee turnover.

Perceived alternative employment chance, conjointly referred to as perceived easy movement, is that the perception of the provision of job alternatives . 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.

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. 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.

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 . 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 . 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.

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 . Establishment and higher operating condition will cut back turnover, twenty percentage suggesting lack of the higher operating condition causes turnover.

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.

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 . 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.

Workers having job discontent leave their current leader additional simply. From this study most of the workers are happy with their job. 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.



Fig -1: Causes of Employee Turnover

4.2 Problems related to employee turnover

The loss of employees can result in increased work load to the other employees in the company. 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.

Training and development in each of the construction company costs more as compared to the salary increment of the current employees . 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.

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. 53 % the workers are more acutely aware regarding the opposite mitigated employees who got additional higher level job.

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. 40 % of the Engineers suggest that the productivity decreases due to the Employee turnover.

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. This takes away from his decision-making and supervisory duties.

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.

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.. 16 % workers felt issue to finish the duty inside the estimated time.

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.

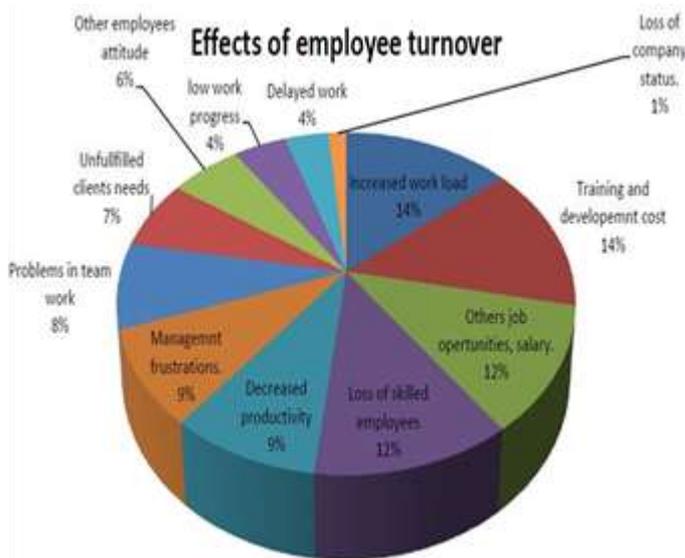


Fig -2: Effects of Employee Turnover

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 organization 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.

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 dissatisfies. 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. The methods to reduce the employee turnover are given below.

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

This thesis provides valuable suggestions regarding the measures to be taken to avoid the employee turnover. The area of study of this thesis is limited to Kerala only. The employees selected for this questionnaire survey were mostly satisfied with their current job. The companies are mostly medium scale companies. The survey result can vary with selecting large scale companies. The thesis helps to identify the major factors affecting the employee turnover, and its effects to the company. It will be a good guideline for the construction companies and also for the emerging entrepreneurs.

This thesis can be done by selecting the companies depends upon their annual turnover and analyzing the trends in each division in selected companies can reveal the detailed picture of employee turnover in different sectors of construction industry. Each of the different divisions of the construction company have different working atmosphere, hence it also can be an influencing factor to the employee turnover.

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