

Employee Attrition and Retention Strategy as Modern HR Tool for Construction Industry in South Chennai Region: An Analytical Study

Mr. M. Riaz Ahmed, Mr. Mohamed Nihar.K

MEASI Institute of Management, Chennai-600014

Abstract: The construction industry is the second largest industry in India after agriculture. It accounts for about 11% of India as GDP. It makes significant contribution to the national economy and provides employment to large number of people. According to a study by ASSOCHAM, the burgeoning Indian construction industry, currently worth \$70 billion, will rise to US\$120 billion by 2025. The construction activity involved in different segments differs from segment to segment. Construction of houses and roads involves about 75% and 60% of civil construction respectively. Building of airports and ports has construction activity in the range of 40-50%. For industrial projects, construction component ranges between 15-20%. Within a particular sector also construction component varies from project to project. India's construction industry will continue to grow into the next decade, a report from market research firm Trimetric predicts. Employee attrition is the term used when employees leave the job. Employees may leave the job because they have found a more suitable one or not satisfied with the current organization. Employee retention is the ability of an organization to retain its employees. Usually, if 80% of employees stick to that organization for a given period, we can say that the particular organization has good employee retention. Both Employee Retention and Attrition are major deciding factors for the success and growth of the Organization. It will be difficult for an Organization to survive if the employees are not serious about their jobs and targets. This research articles to identify and explore the dimensions of employee attrition and retention in construction sector in south Chennai city.

Keywords: HR tool, Construction Industry, Planning Management, Organizational Communication.

I. INTRODUCTION

The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. New housing launches across top seven cities in India increased 27 per cent year-on-year in January-March 2018. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have made the market more transparent. Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. Office space demand in the country increased 23 per cent year-on-year in January-March 2018 with office space absorption at 11.4 million square feet during the quarter. Private equity inflows in office and IT/ITES real estate have grown 150 per cent between 2014 and 2017 backed by a strong attraction towards office sector. Investments/Developments Residential construction is definitely a market to watch in India right now. India is facing a huge housing backlog - some estimates claim as many as 30 million families need homes to try and tackle the ever-

expanding need for affordable housing, the government is planning on building 20 million low cost units by 2022. The main objectives of this study is to know the reasons, why attrition occurs, to identify the factors which make employees dissatisfied, to know the satisfactory level of employees towards their job and working conditions and to find the areas where construction industries in South Chennai Region.

II. REVIEW OF LITERATURE

Kanwal and Muhammad (2016), has found in his study that measured focused on the retention of employees in banks in Pakistan. Research focused on the factors that are in relevance to the bonus and rewards, satisfaction of employees with the job, training as a career exposure management team work, are the major contributors towards the employee retention in an organization. It was found that training and development had a significant impact on the employee retention. Other factors that have been recognized in the literature review had a synergic effect on the employees' performance. Therefore it was suggested that both the employees and the Manager must work in a team and had an effective collaboration with each other while performing in the team work.

Mathur, Atul and Agarwal, P. K. (2017) has found in his study that, aimed to understand the impact of retention strategies on employee turnover in sugar industry in India. The focus of this study was on dysfunctional turnover. Other variables such as welfare benefits, personal satisfaction and organization culture, which are associated with the employee turnover, were also investigated as a part of this study. It was found that the main reason for leaving the organization by employees were compensation and working environment. Results of the study revealed that retention strategies have direct impact on employee turnover. Researcher suggested that by using different HR practices like effective compensation policy, performance appraisal, training and development programme, feedback and assigning competitive work the condition of employee retention can be increased.

Balakrishnan and Masthan, D. (2018), has found in his study that identified the drivers of the employee engagement and also examined the relationship between employee engagement and employee retention. It was observed that employee engagement leads to commitment and psychological attachment and reflects in the form of high retention (low attrition) of employees. The study suggested that the level of engagement in employees can be enhanced by identifying its drivers (influential factors). Organizations can design good practices in the light of findings to retain their best talent (highly skilled and specialized human resources) without much financial burden. Statistical evidence in the study confirm that the employee retention can be improved by addressing nonfinancial drivers of employee engagement like communication, recognition, manager/supervisor support (relationship), work engagement, team work and role clarity.

III. STATEMENT OF THE PROBLEM

The success of any construction organization depends largely on the workers, the employees are considered as the backbone of any company. The study was mainly undertaken to identify the level of employee's attitude, the dissatisfaction factors they face in the organization and for what reason they prefer to change their job. Once the levels of employee's attitude are identified, it would be possible for the management to take necessary action to reduce attrition level. Since they are considered as backbone of the company, their progression will lead to the success of the company for the long run. This study can be helpful in knowing, why the employees prefer to change their job and which factors make employee dissatisfied. Since the study is critical issue, it is needed by the organizations in order to assess the overall interest and the feelings of the employees towards their nature of job and organization. The intention of the present report is to study factors like salary, superior – subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co-workers by which it helps to know the Attrition level in the organizations and factors relating to retain them

IV. OBJECTIVE OF THE STUDY

- To study the attrition level among the employees towards their working condition.
- To find out the external and internal factors this affects the attrition of the employee
- To determine the kind of attrition strategy followed by Construction companies towards their employees.
- To identify the factors which influence employee's retention in the work environment
- To measure the effectiveness of employees retention strategy adopted by the Construction companies in South Chennai Region

V. NEED FOR THE STUDY

The significance of the study lies in the detonation of the Construction industry in the recent years. Where on one hand the sector is growing with leaps and bounds, on the other the employee turnover has been alarmingly high, thus costing a lot to the company. The middle level and low level employees are victims of dearth of motivation and employee satisfaction also seems to be brandishing. The study is an attempt to assess the patterns of attrition in BPO and analyze the relationship among employee motivation, job satisfaction and employee retention, so as to utilize employee motivation to retain employees in an organization. Thus, not only is it significant for academicians but also for professionals who can exploit it to control the employee turnover.

VI. SCOPE OF THE STUDY

Although the development of motivation model to tackle the problem of attrition in the construction sector has inputs from a variety of sources including primary and secondary sources, the study is confined to the data collected from the south Chennai region . Moreover, only selected facets of job characteristics have been considered for the study. There are many which can be included in order to assess employee motivation. Therefore the scope of the study is limited to the geographical location of the sample size and also to the selected dimensions of personal characteristics and employee motivation. This study can be helpful to the management to improve its core weaknesses by the suggestions and recommendations prescribed in the project. This study can serve as a basis for measuring the organization's overall performance in terms of employee satisfaction.

VII. RESEARCH METHODOLOGY

RESEARCH DESIGN

It denotes the sources and types of information relevant to the research problem. The research design is the conceptual structure within which research is conducted. It constitutes the blueprint for the collection, measurement and analysis of data. In descriptive research design a researcher is interested in describing a particular situation or phenomena under his study. It is a theoretical type of researcher design based on the collection designing and presentation of the collected data.

Descriptive research design covers the characteristics of people, materials, Socio-economics characteristics such as their age, education, marital status and income etc. The qualitative nature data is mostly collected like knowledge, attitude, beliefs and opinion of the people. Examples of such designs are the newspaper articles, films, dramas, and documentary etc.

VIII. SAMPLING METHODOLOGY

The sampling used in this study is convenience sampling. Convenience sampling procedure is a non-probability sampling and it involves purposive or deliberate selection of particular units of the universe for constituting a sample which represents the universe. Due to the lack of general public, convenience sampling is chosen and sample size restricted to 90.

IX. DATA COLLECTION METHOD

Collection of data includes both primary and secondary data. The researcher has collected both of the above data. The data collected constitutes both primary and secondary data.

X. DATA ANALYSIS AND RESULTS

CHI SQUARE TEST

Null hypothesis (H₀): There is no association between rating of employee attrition in your organization and their gender. Alternate hypothesis (H₁): There is association between rating of employee attrition in your organization and their gender.

Gender * How much do you think attrition is a threat to your organization
Cross tabulation

Count		How much do you think attrition is a threat to your organization					Total
		To a Large extent	to a medium extent	to a small extent	no effect	5	
Gender	male	14	14	8	10	6	52
	female	12	15	4	3	4	38
Total		26	29	12	13	10	90

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.600 ^a	4	.463
Likelihood Ratio	3.740	4	.442
Linear-by-Linear Association	1.511	1	.219
N of Valid Cases	90		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.22.

Interpretation: Since p value=0.463 is greater than 0.05. Hence Accept null hypothesis there is no association between rating of employee attrition in your organization and their gender.

ONE WAY ANOVA TEST

Null hypothesis (H₀): There is no significance difference between the age group of the employee and their perception

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Work goes unrecognized	Between Groups	1.206	2	.603	.585	.559
	Within Groups	89.682	87	1.031		
	Total	90.889	89			
	Between Groups	4.093	2	2.047	1.290	.280

towards the internal and external factors of attrition in the firm.

Alternate hypothesis (H₁): There is significance difference between the age group of the employee and their perception towards the internal and external factors of attrition in the firm.

Little chances to move ahead	Within Groups	138.007	87	1.586		
	Total	142.100	89			
Friction with superior and co worker	Between Groups	4.093	2	2.047	1.290	.280
	Within Groups	138.007	87	1.586		
Availability of better carrer opportunities	Total	142.100	89			
	Between Groups	4.093	2	2.047	1.290	.280
Easy availability of equal or better paying jobs	Within Groups	138.007	87	1.586		
	Total	142.100	89			

Interpretation: Since p value is greater than 0.05. Hence accept null hypothesis. There is no significance difference between the age group of the employee and their perception towards the internal and external factors of attrition in the firm.

MANN WHITNEY TEST

Null hypothesis (H₀): There is no significance difference between the mean rank between the martial status of the **Ranks**

employee and rating of quality of work life as kind of attrition strategies.

Alternate hypothesis (H₁): There is significance difference between the mean rank between the marital status of the employee and rating of quality of work life as kind of attrition strategies.

	Marital status	N	Mean Rank	Sum of Ranks
Better quality of work life	married	57	46.11	2628.50
	Unmarried	33	44.44	1466.50
	Total	90		

Test Statistics^a

	Better quality of work life
Mann-Whitney U	905.500
Wilcoxon W	1466.500
Z	-.315
Asymp. Sig. (2-tailed)	.753

a. Grouping Variable: Martial status

Interpretation: Since p value is greater than 0.05. Hence accept null hypothesis. There is no significance difference between the mean rank between the martial status of the employee and quality of work life as kind of attrition strategies.

**CORRELATION ANALYSIS
TO STUDY THE RELATIONSHIP BETWEEN THE
EMPLOYEES JOB SATISFACTION AND WORKING
CONDITION**

Correlations

		How much are you satisfied with your current job	Working Environment
How much are you satisfied with your current job	Pearson Correlation	1	.036
	Sig. (2-tailed)		.733
	N	90	90
Working Environment	Pearson Correlation	.036	1
	Sig. (2-tailed)	.733	

N	90	90
---	----	----

Interpretation: The Pearson coefficient of correlation r is 0.036 which implies there is a positive correlation between the employee's job satisfaction and working condition.

FRIEDMAN TEST

Null hypothesis (H_0): There is no significance difference between the mean ranks towards the factors influencing the employee's retention strategies.

Alternate hypothesis (H_1): There is significance difference between the mean ranks towards the factors influencing the employee's retention strategies.

Ranks

	Mean Rank
Promotion opportunities	3.24
Welfare measures	2.43
Working Environment	2.79
Job Rotation	2.78
helps in career development	3.76

Test Statistics^a

N	90
Chi-Square	43.242
df	4
Asymp. Sig.	.000

a. Friedman Test

Interpretation: Since p value is lesser than 0.05. Hence reject null hypothesis. There is significance difference between the mean rank towards the factors influencing the employee's retention strategies.

XI. FINDINGS OF THE STUDY

- Using Chi square it is found that there is no association between rating of employee attrition in your organization and their gender.
- Using One way Anova test it is found that there is no significance difference between the age group of the employee and their perception towards the internal and external factors of attrition in the firm.
- Using Kruskal Wallis test it is found that there is no significance difference between the mean rank between the marital status of the employee and quality of work life as kind of attrition strategies.
- The Pearson coefficient of correlation r is 0.036 which implies there is a positive correlation between the employee's job satisfaction and working condition.
- Using Friedman Test it is found there is significance difference between the mean rank towards the factors influencing the employee's retention strategies.

XII. SUGGESTION FOR THE STUDY

- It is suggested that Managers should be trained thoroughly and consistently. The policies from location to location should be the same, and every manager and supervisor in the Company should be trained the same way and be in agreement and consistent with Company policies. Managers should be trained to treat their employees with respect, because without those employees, the business could not operate.
- It is recommended that Opinion surveys, feedback forums, employee suggestion box or employee suggestion committee and employee satisfaction surveys. Holding meetings with employees on a regular basis to identify their desires and needs. This will help them to understand the need and important is their decision to the organization.
- It is suggested that Firms looking to improve their retention or improve their skills management more generally might consider the applicability of these strategies and initiatives to their own unique circumstances. Such strategies can also be modified to reflect individual company circumstances.

XIII. CONCLUSION

The study of HR practices and employee attrition in the organization was a great learning experience. The study helped in finding out the most critical reasons responsible for employee attrition in the organization. It brought various concerns of the employees to the forefront. The study helped in understanding the relative importance of various factors responsible for employee attrition, also revealed the fact that that opportunity for development and growth is most important for the employees of the organization. There is a crisis in human capital management The Construction sector's can retain employees and reduce attrition rate by dealing with the two important factors behind attrition, Opportunity for development and growth and Salary. More focus on employee training and employee recognition is required. Salary needs to be made more competitive. To retain employees it is important to provide sufficient opportunities for development and growth, competitive salary, challenging jobs that use employee skills efficiently and good managerial guidance, among other things. We are in a time of manpower shortages that will not abate in the near term. Employers have to work smarter and permit employees to work smarter.

XIV. REFERENCE

- [1]. Huselid, Mark A. (2017), The impact of human resource management practices on turnover, productivity, and corporate financial performance, *Academy of Management Journal* 38, 635
- [2]. Achoui, Mustapha and Mansour, Balakrishnan (2018), "Employee Turnover and Retention Strategies: Evidence from Saudi Companies", *International Review of Business Research Papers* Vol. 3 No. 3 Pp. 1-16
- [3]. Kanwal and Muhammad, Akuoko, Osei Kofi and Ansong, Francis (2016), "Employee Retention Strategies and Workers' Performance: General Views of Employees in Ashanti Region of Ghana", *International Journal of Business and Management Tomorrow* Vol. 2 No. 8 ISSN: 2249-9962
- [4]. Mathur, Appiah, Asiedu Felicity, David, Asamoah et. al (2017), "Effect of Human Resource Management Practices on Employee Retention: Perspectives from the mining industry in Ghana," *International Research Journal of Arts and Social Sciences* Vol. 2(2) pp.30-48