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Addis Ababa University
School of Commerce
Department of Business and Economics

AN ASSESSMENT OF SKILLED MANPOWER TURNOVER ON REAL ESTATE CONSTRUCTION PROJECTS: THE CASE OF FLINT STONE ENGINEERING S.CO.

BY: AMAN DINO

A Research project submitted to the School of Graduate studies, Addis Ababa University in partial fulfillment of the requirements for the degree of Masters in Project Management

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Addis Ababa, Ethiopia

June, 2018

Statements of Declaration

I, the undersigned., declare that the study which is being presented in this project work entitled as “The assessment of skilled manpower turnover on Real Estate Construction Projects: The case of Flint Stone Engineering S.CO” is my original work, had not been presented for a partial fulfillment for any educational qualification at this university or any other, all the sources used are also duly acknowledged.

Aman Dino

Date

Letter of Certification

This is to certify that Aman Dino has conducted this project work entitled “The Assessment of Skilled Manpower Turnover on Real Estate Construction Projects: The case of Flint Stone Engineering S.CO”

This project work is original and suitable for the submission in partial fulfillment of the requirements for the award of Masters of Arts Degree in Project Management.

Signature-----

Abdurezak Mohammed (PHD)

Date

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE GRADUATE STUDIES
DEPARTMENT OF PROJECT MANAGMENT

The Assessment of Skilled Manpower Turnover on Real Estate Construction
Projects: The case of Flint Stone Engineering S.CO.

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Acronyms and Abbreviations

FESC: Flint Stone Engineering Share Company

HR: Human Resource

HRM: Human Resource Management

PM: Performance Management

UNDP: United Nation Development Programme

MUDHC: Ministry of Urban Development, Housing, and Construction

SPSS: statistical package for social science

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Abstract

This study focuses on the assessment of skilled employee turnover on Real Estate Construction Projects in the case of Flint Stone Engineering s.co.

This research employed a descriptive research design since the study intends to gather quantitative and qualitative data that assess employee turnover on Real Estate Construction in the case of Flint Stone engineering s.co. Primary data was collected using questionnaire and interview and 47 responses were properly filled and returned out of 50questionnaire.A high response rate of 94% was obtained. After the required data are collected descriptive (i.e. frequency, percentage) analysis were used to analyze the data using latest SPSS version.

The study found out that Flintstone Engineering has been experiencing serious cases of turnover. Majority respondents indicated that lack of proper compensation system that is salary and benefits and working condition are the main factors of turnover. The study recommended that the human resource management of Flint Stone Engineering should employ strategies such as revising the salaries and remuneration, providing recognition and individual growth opportunities. The top management including the chief executive officer should make some regular open meeting with the project managers to get their feelings on the issue and reinstate open communication system.

Key words: skilled manpower, employee turnover, construction projects

Chapter One

1. Introduction

1.1 Back ground of the study

Construction Industry is the backbone for economic development. The industry is involving increasing number of small companies and few big construction companies. Construction process is labor intensive and also requires good management style because of difficult site condition and bulky materials use. In spite of all the best practices, predictability of project outcomes is still an issue of concern. Failure to achieve targeted time, budgeted cost and specified quality result in various unexpected negative effects on the projects.

The uniqueness of the construction industry especially in its approach towards the management of its human resources in a very dynamic and complex working environment has been acclaimed by several authors (Loosemore, M., Dainty, 2003).

Dainty (2003) have reported that construction companies have a tendency to rely on less formal structures in terms of managing the employment relationship.

Workforce is the most valuable asset for an efficient outcome of any organization and this is especially true in case of labor-intensive industries such as construction. However it has been observed since long that human workforce in an organization also represent the most complex resource to manage compared to any other resources that are required for satisfactory completion of a project.

In general construction industry often experiences complexities in meeting project completion schedule and finance due to non availability of sufficient number of skilled labors and staff to carry out the planned work.

This kind of intricacy can be managed and it efficiently possible to handle such issues with proper utilization of human resource management techniques to avoid shortage of labor.

Bilau,(2011) opine that the construction industry is an important sector which plays a great role in the country through the creation of employment, contributing to the gross domestic product (GDP) of the country and provision of infrastructures such as highways, residential and commercial centers.

Beardwell, (2004) argued that employees of a company are important stakeholders in the firm. He opined that after limited resources have been used in recruiting, training and developing the employees, majority of them leave the organization for other organizations. It was put forward

that employee's turnover has drained limited resources of construction firms as the services of the lost employees are no longer available to be utilized by the firm (Ismail, K., Tengku-Azhar, 2012).

Employee turnover is the rate at which employee's leave a company and have to be replaced by new or existing staff. The loss of skilled, relevant and talented employees could stagnate organizational performance and productivity. Hollman(2006) added that the loss of an employee triggers additional work stress and lowers motivation for the employees that stays behind. In other words, negatively impacting employee's group morale and organizational membership.

1.2 Background of the organization

According to (Addis Ababa city administration trade and industrial development bureau ,2018), Flintstone Engineering S.C was established in 1991 G.C one of the most known real estate companies undertaking various construction projects in different part of the country as well as in the capital at different sites. The company is currently registered as building contractor one with a capital of exceeding birr 729, 458,928(seven hundred twenty nine million four hundred fifty eight and nine hundred twenty eight thousand as of June 2017.

Flintstone, with annual revenues of Birr 500 million (USD 25,000,000) generated from contracts and real estate. The current contract portfolio stands around Birr 4.9 Billion and includes complex University buildings, hospitals, conference halls and an ultra modern, high tech design & build contract for the African Union's Peace & Security Commission, the conceptual design and funding of which was provided by the Federal Republic of Germany. Over the years, a total of more than 720,000 square meters of built –up area, with a total value of more than Birr 7 billion adjusted to 2013 prices, was delivered & being constructed by Flintstone.

On the part of its human resource strength, Flint stone Engineering has a total number of two hundred fifty eight employees and comprised of experienced professionals those who have Masters are six in number ,having the first Degree eighty in number while those having Diploma forty eight and with certificate from various technical and vocational around one hundred twenty four. Flintstone Homes, the real estate wing, was launched in 2009 G.C and since then, 1,483 units were sold and over 600 delivered so far with as many more scheduled for delivery before the end of 2014. The success story of Flintstone Homes, mainly the commercial viability of

selling affordable homes & retail shops (and lately manufacturing flats) has had significant impact on local real estate business and urban design rationale; so much that negotiations with a highly positive prospect are ongoing with stakeholders and policy makers on ways to upscale this

Perhaps the most trail blazing work Flintstone Homes has done in its short years of real estate success was using Joint Venture Partnerships (JVs) as an instrument of developing high-value plots owned by capital-starved landowners

Table 1. 1Number of employees under each department

Dept. Name	
Administration	1
Contract and Marketing	2
Design	9
Development	2
Equipment	71
Finance	40
Human Resources	22
IOM	11
Marketing	14
Operations	83
Procurement	3
Total	258

Source: primary data

1.3 Statement of the problem:

Employees and technology are the backbone of any organization. Employee turnover is the rate at which employee's leaves a company and have to be replaced by a new or existing staff. Employee turnover is the rotation of worker around the labour market between firms, jobs and occupation and between the states of employment and unemployment (Hollman, 2006).

According to Maxwell (2010), a key problem to employees' turnover is that the organization loses the most experienced and skilled staff that the organization had invested heavily in training on various organization job task functions. This therefore means that, the organization must incur huge costs in terms of time and finance to train the newly recruited staff in order to make them effectively adapt to organization working environment and demonstrate the required skills and experience

According to Phillip (2009) employees turnover influences allocation of the job tasks functions to inexperienced employees who lacks technical knowhow on effective execution of organization services, this greatly degrades the quality of organization services and as result, low level of customer satisfaction is realized. The organization sales revenue declines and this lowers the level of organization efficiency.

The major problem construction industry is facing today due to expansion in infrastructural growth is the shortage of skilled labors. Construction companies periodically experiences difficulty in meeting project completion dates because of non-availability of sufficient skilled labors and staff to carry out the work efficiently. The loss of skilled, relevant and talented employees could stagnate organizational performance and productivity. In order to remain competitive and be productive, every organization will have to manage their employee turnover wisely (Phillip, 2009)

Hollman(2006) added that the loss of an employee triggers additional work stress and lowers motivation for the employees that stays behind. In other words, negatively impacting employee's "group morale and organizational membership.

Boxall, P. (1998) states these problems of HRM practices faced by many organizations which are not practicing an appropriate HRM.

- ✓ Hiring the wrong person for the right job.
- ✓ Experiencing high employee turnover.
- ✓ Finding people not contributing their best.
- ✓ Poor time management.
- ✓ Having company taken to court because of discriminatory practices

- ✓ Having dissatisfied employees who always think about their salaries and perceive them to be unfair and inequitable relative to others in the organizations and other similar organizations.
- ✓ Failure to provide job related training which will eventually undermine the department's effectiveness.

Frequent turnover of skilled employees, could costing construction companies in terms of productivity (performance), money (Cost) and time (schedule).

As per the preliminary research conducted by the researcher on Real Estate Construction companies in Flint Stone there is challenge on skilled manpower turnover.

There is also a challenge of retaining skilled manpower. The main target is not to prove the existence of the problem rather to improve the situation into an ideal one.

In short the problem is the following: Professional turnover or skilled manpower turnover

This affects the project work in that it requires time to replace and experience the new one to hand over the new environment/system. There is also a skill and experience gap in the newly assigned personnel to execute the project based on plan and schedule.

Therefore this paper mainly focuses on the assessment of skilled employee turnover on Flint Stone Engineering Real Estate Construction projects.

1.4 Research questions

1. What are the factors contributing for skilled employee turnover in Real estate construction projects?
2. What are the consequences of skilled employee turnover on construction project?
3. What solution measures can be suggested to solve the skilled employee turnover?
4. Does attributes such as age, tenure are causes of turnover?

1.5 Objectives of the study:

1.5.1 General objective

The objective of this project work is to assess skilled manpower turnover in Real Estate construction projects in the Case of Flint Stone Engineering.

1.5.2 The specific objectives

Consequently, the project work seeks to undertake the specific objectives:

- a. To assess the factors contributing for skilled employee turnover in Real Estate Construction projects
- b. To suggest possible solutions to reduce skilled employee turnover
- c. To assess the consequences of skilled employee turnover in construction projects.
- d. To see if such attributes as age, tenure are causes of employee turnover.

1.6 Significance of the study:

Flint Stone Engineering Company and other construction companies in Addis Ababa are operating their project with labor intensive technology and requiring skilled labor. When the skilled labor turnover is high the expected project completion on time, cost, and performance are not accomplished properly. Therefore, the project work is significant in assessing the impact of skilled labor turnover in the construction projects to take appropriate measures.

1.7 Research Methodology

The method used in this study is descriptive. Descriptive statistics analysis is used in the interpretation and discussion. Charts & percentages are used as appropriate to present the result of the study.

1.8 Scope of the study

Skilled employee turnover is broad in the sense it comprises voluntary & involuntary turnover. This project work however address voluntary turnover only. And the study also focuses on voluntary turnover in Flint Stone Engineering. The scope is also limited to those skilled professionals.

In Fact the company is well organized there was documents regarding exist interview .The sample size being small, it might not be a true representative sample. There are also little studies that have been conducted in the Real Estate construction projects on the topic of skilled labor turnover particularly in private construction companies in Addis Ababa.

1.9 Organization of the Paper

This project work has five chapters. The first chapter deals with background information, statement of the problem, objective of the study, significance of the study, scope and limitation

of the study. The second chapter discusses concepts and theories related to the area of study. The third chapter deals with the research design and methodology, sources of data, target population, sampling technique, and tools of data collection. The fourth chapter discusses the findings and analyzes the data. The last chapter makes conclusion and recommendations.

Chapter Two

2. Review of Related Literature

The efficiency and effectiveness of any organization largely depend on the competence of the workforce. Every organization regardless of its size, type or product or service it renders, must recruit and select suitably qualified personnel to insure its success. The more effectively organizations recruit and select candidates, the more likely they are to hire and retain satisfied employees.

The availability of a competent and effective labor force does not just happen by chance but through an articulated recruitment & selection exercise. Human Resource has become strategic resource to gain sustainable competitive advantages in this age of globalization (Elnaga & Imran, 2013). The knowledge and skills of an organization's workforce have become increasingly important to its performance, competitiveness, and innovation.

Human resource management, generally, refers to the design of formal systems in an organization to ensure the effective and efficient use of human talents to accomplish organizational goals.

In other words, the importance of human resource to the success of an organization as stated by Elnaga & Imran (2013): People are the key to an organizations success. Management must take the lead in obtaining the optimum effectiveness from employees; in the form of efficiency, loyalty, productivity, creativity, and enthusiasm.

2.1 Nature and definition of employee turnover

Employee turnover is considered to be one of the persisting problems in organizations (Armstrong, 2009). Turnover means that another organization may gain a new knowledge employee who can become its competitive advantage. The loss of knowledge thus is a threat for the former organization)

Hollman K.W (2006) opine that from the perception of human resources management and organizational behavior, employee turnover is the rotation of employees around the labor market, that is, between firms, jobs, occupations and between the states of employment and unemployment.

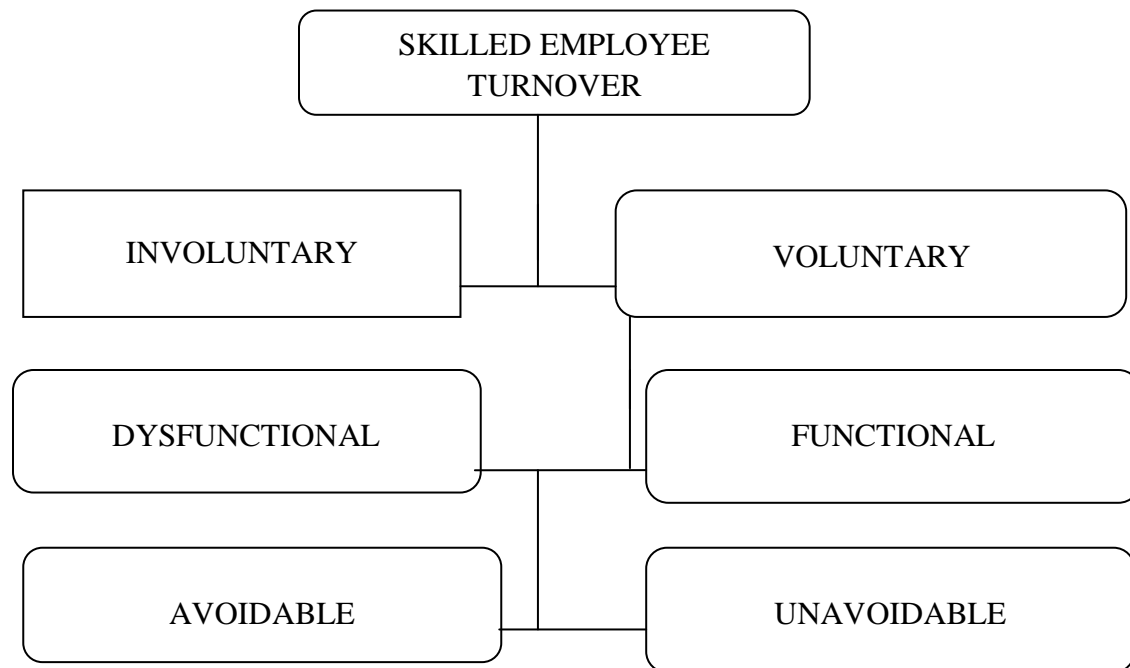
Employee turnover, as defined by Hom and Griffeth (2001), is ‘voluntary terminations of members from organizations’.

Loquercio *et al.* (2006) observed that staff turnover is the proportion of staff leaving in a given time period but prior to the anticipated end of their contract. According to Griffeth R. & Hom (2004) staff turnover is the rate of change in the working staffs of a concern during a defined period. They opine that staff turnover is the net result of the exit of some employees and entrance of others to the organization.

Hollman, (2006) defined turnover as the amount of movement in and out (of employees) in an organization. Employee turnover is the rotation of workers around the labor market, between firms, jobs and occupations, and between the states of employment and unemployment. Staff turnover that can occur in any organization might be either voluntary or involuntary. Voluntary turnover refers to termination initiated by employees while involuntary turnover is the one in which employee has no choice in the termination as it might be due to long term sickness, death, moving overseas, or employer-initiated termination.

Turnover is referred as an individual’s estimated probability that they will stay or not stay in an employing organization. Griffeth & Hom (2001). A number of terms have been used for employee turnover, such as quits, attrition, exits, mobility, migration or succession.

2.1.1 Conceptual Framework:



Source: Adapted from: Griffeth, R. and Hom, P. (2001) :

Figure 2. 1 Conceptual framework for skilled manpower turnover

2.2 Reasons and consequences of skilled employee turnover

2.2.1 Voluntary and involuntary turnover

Though there are many causes for employee turnover in an organization, all of those do not have negative impact on well-being of an organization. Organizations should differentiate between voluntary and involuntary turnover and take actions on the one under their control. Voluntary turnovers are those caused by the employee out of his/ her own choice (*e.g.* to take job in other organization for better salary) while involuntary turnovers are because of the decision of management (*e.g.* dismissal for gross misconduct). In general, all resignations not formally initiated by employers are voluntary resignations (Loquercio *et al.*, 2006).

Voluntary turnovers are further distinguished into functional and dysfunctional turnovers.

2.2.2 Functional and dysfunctional turnover

Functional turnovers are the resignation of substandard performers and dysfunctional turnovers refer to the exit of effective performers. Dysfunctional turnover is of greatest concern to the management due to its negative impact on the organization's general performance. Dysfunctional turnover could be further classified into avoidable turnover (caused by lower compensation, poor working condition, etc.) and unavoidable turnovers (like family moves, serious illness, death, etc.) over which the organization has little or no influence.

2.2.3 Avoidable Vs Unavoidable Turnover

A turnover that happens in avoidable circumstances is called 'Avoidable Turnover', where as "A turnover that happens in unavoidable circumstances is called 'Unavoidable Turnover'(Griffth &Hom, 2001)

2.2.4 Internal Vs External Turnover:

Turnover can be classified as 'internal turnover' or 'external turnover. Internal turnover happens when employees send-off their current position and getting a new position within the same organization. It is related with the internal recruitment where organizations filling the vacant position by their employee or recruiting within the organization.

2.2.5 Skilled Vs Unskilled Turnover

Untrained, uneducated and unskilled positions often face high turnover rate. Without the organization or business incurring any loss of performance, employees can generally be replaced.

On the other hand skilled and educated positions may create a risk to the organization while leaving. Therefore turnover for skilled and educated professionals incur replacement costs as well as competitive disadvantage of the business.

For most part, voluntary turnover is treated as a managerial problem that requires attention, thus its theory has the premise that people leave if they are unhappy with their jobs and job alternatives are available Hom (2001). Therefore, most studies have focused on voluntary rather than involuntary turnover .In this study too, only *voluntary form of skilled employee turnover* has been considered and discussed.

2.3 Factors for skilled employee turnover

2.3.1 Job dissatisfaction

Understanding the factors that influence turnover gives organizations the opportunity to reduce selection and training costs, increase employee morale and customer satisfaction, and enhance organizational productivity. The study of turnover has a rich theoretical history in which multiple models have been advanced to understand this complex decision (Hom & Griffeth, 2001). Most of these models are based on the premise that if an individual is unhappy with a job and finds another job, s/he is likely to leave the current job. Thus, the focus of most turnover models is on job attitudes (job satisfaction or job commitment) as the primary drivers of turnover.

Second reason is that human resources are the backbone of an organization (Pfeffer 1998). Moreover, the continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes, value and expectations that are closely aligned with the corporate vision. It implies that hiring capable people is an attractive point of departure in the process, but building and sustaining a committed workforce is more likely to be facilitated by the employment of sophisticated HRM infrastructure (Hollman, 2006).

Arguably, HRM policies and practices can be strategically designed and installed to promote desirable employee outcomes, which include the enhancement of the in-role and extra-role behaviors of employees. Yet, despite such costly investments, corporations are continually searching for techniques to improve and cement the linkage between employees and their organizations. With proper implementation, these techniques often facilitate a more committed workforce.

Since turnover warrants heavy replacements and training expenses, organizations are now recognizing employee retention as an important issue that merits strategic attention.

Boxall *et al.*, 2003 have shown that work-related factors are major determinants of job satisfaction, organizational commitment and turnover intentions among employees. Griffeth *et al.* (2004) have concluded from their studies that when high performers receive inadequate remuneration/rewards, they look out for alternative employment.

Hom(2001) noted that age, tenure, overall satisfaction, job content, intentions to remain on the job and commitment were all negatively related to turnover.

It is quite evident from the review of past researches that intention to stay/quit; job satisfaction and organizational commitment were among the most consistent, close and commonly researched determinants of employee turnover. Job satisfaction has been acknowledged as the most common antecedent of employee turnover (e.g. Griffith *et al.* 2004).

Job satisfaction is defined as how people feel about their jobs and different aspects of their jobs.. Boxall P. (1998) analyzed the determinants of turnover and identified job satisfaction as the most important factor. Meta-analytic research by Hom and Griffeth (2001) showed that job satisfaction is a significant predictor of turnover, with overall job satisfaction explaining more variance than the sub-dimensions of job satisfaction itself like satisfaction with the work itself, satisfaction with coworkers and, satisfaction with the supervision etc. considered individually. Later, they reaffirmed that the turnover process is indeed caused by job dissatisfaction.

An employee who is satisfied with his job would perform his duties well and be committed to his job, as well as the organization (Hom 2001).Job satisfaction plays an important role in determining turnover of employees. High job satisfaction leads to low turnover. In general, dissatisfied workers are more likely to quit than those who are satisfied.

Hom (2001) suggested that self-reported level of job satisfaction is a good predictor for job mobility and employee attrition. Thus, frequent satisfaction surveys act as smoke detectors and help in uncovering potential turnover intentions.

2.3.2 Lack of organizational commitment

Apart from job satisfaction, organizational commitment too has been frequently related to turnover. Griffith *et al.* (2000) identified lack of commitment as an important precursor to employee quit process. Previous research supports the idea that attitudes related to organizational commitment are strongly associated with turnover. Organizational commitment is found to be

strongly negatively related to turnover intention as well as actual turnover and concluded that organization commitment is one of the significant factors that impact turnover intention.

Griffeth *et al.* (2000) who identified job satisfaction as a possible antecedent of turnover noted that organizational commitment was a better predictor of turnover than even job satisfaction. Somers too supports this view. He opined that commitment had a very strong negative effect on turnover. Committed employees have been found to be less likely to leave an organization than those who are uncommitted. Hom (2001) also found organizational commitment to be negatively correlated with turnover intentions.

2.3.3 Lack of Employee Motivation

Armstrong, (2003) contends that motivating employees can be a manager's biggest challenge. Employee motivation is a key to the overall effectiveness of an organization. An understanding of the applied psychology within a workplace, also known as organizational behavior, can help achieve a highly motivated workforce. Fair promotion conducted on bases of performance greatly motivates employees and a key de -motivating factor to employees is failure by the organization management to carry out promotion not on basis of performance and merit.

Paul, M (2009) argued that job rotation helps employees to develop adaptive since employees who are not exposed to job rotation programs lacks an opportunity of learning adaptive skills when exposed to work in different environment. On the other hand he argued that management that is not committed in offering praise and recognition to deserving employees leads to lack of rewarding of hard working employees and this lowered the morale of most employees.

2.3.4 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 (Muhammad Aminu Bawa and Muhammad Jantan ,2005)

2.3.5 Remuneration /salary and Benefits :

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 (Zeynep Ton,2008). 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.

2.3.6 Lack of Training and Development

According to Paul,M(2009), training and development is a function of human resource management concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including "human resource development", and "learning and development. New-hire Induction and staff development are two essential requirements for job preparation which are mandatory from the employers. The preparation of the job starts from recruitment (Bratton, 2003). Those employees who begin their jobs without any form of orientation are most likely unaware of workplace policies and procedures that they can benefit from. Additional training throughout the employment relationship helps the employee to update skills and become more productive and produce efficient workforce. When employees lack the training necessary to become more productive, their performance suffers and they will either leave of their own decision for jobs that provide training and employee support or they will be terminated for poor performance (Armstrong, 2003).

Trevor, (2004) stated that the best strategies for workforce retention generally include a combination of positive reinforcement, creating a satisfying working environment, paying employees well, and offering financial incentives and bonuses. On the other hand Braton (2003) stated that best employee retention strategies include benefit plans such as health insurance, paid sick leave, and vacation. These views were supported by Anthony (2006) who affirmed that employees becomes more satisfied with their work and are less likely to leave since better work environment and employees benefits empower them to affect positive changes within an organization.

Other variables that cause employee turnover include heavy workloads and work stress. Many other factors such as insufficient pay, job dissatisfaction, poor quality of supervision, and possibility of a better offer, personal adjustment to work situation (grievances), sexual harassment, inadequate orientation, lack of training, dead end (no chance for promotion), job insecurity, relocation from area, health problems and home responsibility were also identified by researchers as primary causes of turnover.

Moureen, (2004) posed that solid workforce retention plan can create a productive business atmosphere, reduce turnover rates, and contribute to the success of any organization. Employees who feel valued and appreciated will usually go above-and-beyond the call of duty to ensure the success of their employers. Many employees who decide to leave their current employers and seek jobs elsewhere do so because they feel they are being micromanaged. To avoid this common problem, the employers should empower staff members by encouraging their contributions and allow them to take the lead role on projects. This, in turn, often leads to innovative ideas that can boost efficiency, improve morale, and increase a company's bottom line.

Spencer, (2001) contended that, in order to retain employees and reduce turnover; managers must learn to align their goals with the end goals of employees. By aligning the rewards and needs of employees, managers can determine the proper reward system to most effectively increase job satisfaction of employees. These views were supported by Trevor (2004) who emphasized that valence is the degree to which the rewards offered by an organization align with the needs employees seek to fulfill. High valence indicates that the needs of employees are aligned well with the rewards system an organization offers. Conversely, low valence is a poor alignment of needs with rewards and can lead to low job satisfaction and thereby increase turnover and decrease retention.

According to Dubois (2004), staff retention has a direct and causal relationship with employee needs and motivation. Applying a motivation theory model, such as Maslow's Hierarchy of Needs, is an effective way of identifying effective retention protocol.

2.3.7 Work Environment

Employees must have the necessary tools to perform their duties. This includes the proper equipment, machinery and computer technology as well as adequate lighting, work space and ergonomically-correct seating. Poor working conditions due to physical elements lead to low productivity and overall job dissatisfaction. The latter, particularly when left unaddressed, leaves employees feeling unappreciated and they ultimately leave .

According to Moureen (2004) work environment is also one of the main causes for employee turnover. Employees prefer to work in an environment which is suitable for them. This is the most common reason why they jump from company to company in just a few months. If they

find an appropriate work environment in a specific company, they may work in the same organization for several years.

Homer, (2007) contends that safe working environment leads to increased level of employees' job satisfaction and helps the origination to retain employees for a long time. Unsafe working environments like non-standard work environments have a wider range of types and styles. Some nonstandard environments have a lot in common with standard ones. For instance, in the case of a construction site, there is no activity without the workers and it is typically empty when no one is working. On the other hand, this environment is often outside and temporary, two factors that separated it from a common office.

Horton, (2007) argued that work environment is often described as good or bad. A good environment is a place where the workers feel at ease and appreciated. Workers in these sorts of environments are often more productive and happy. A bad work environment is a location where the worker feels under-appreciated, threatened or unsettled. Due to the nature of these environments, there is often a high worker turnover rate, and the workers typically fail to live up to their potential.

Spencer (2001) Poor furniture and working equipment lowers the level employees' job satisfaction and this plays a role towards realization of increased employee turnover rates.

Company policy regarding employee behavioral expectations should be created and enforced in compliance with the law. Any complaints, either from employees or customers, should be handled promptly and in accordance with the law. Employees who behave in any way that could endanger anyone should be warned or terminated as required to both follow legal handling of the situation and ensure a safe work environment for everyone.

Spencer (2001) argued that lack of open office layout leads to isolated working environment that lowers hinders employees from interacting freely with the other and hence influences cases of employees' turnover. Also to make work environment suitable, organization should be prepared in case of an emergency situation. A first aid kit and emergency food and water supplies should be stored accessibly with the items changed periodically to ensure freshness. Emergency preparedness drills and meetings can help your company work towards a safe work environment as would be possible in cases of a natural disaster such as a flood.

Trevor (2004) stated that electrical and other hazards should be avoided in the workplace through proper maintenance. Equipment should be regularly serviced and precautions such as wearing

safety goggles or other gear including helmets, gloves or steel-toed work boots should be enforced by your company. A safe work environment is something that the company as well as its staff should constantly be focused on achieving. Existence of well-equipped first aid kit portrays ability of organization to handle emergency cases such as accidents in the work place and this instill confidence amongst employees.

.A study of turnover by Boxall *et al.* (2003) in New Zealand confirmed the view that motivation for job change is multidimensional and that no single factor can explain it. Boxall *et al.* (2003) found that work-related accident or illness, unhappiness with co-workers, commuting to work, difficult relationship with the supervisor, unrealistic expectations from job, excessive work demands, lack of promotion elsewhere, non-redressal of grievances, work methods, lack of job security, inadequate pay, change of career, work-life demands, lack of training opportunities, non-recognition of employee merit and more interesting work elsewhere may lead to turnover intention resulting into actual turnover.

2.4 Consequences of employee Turnover

2.4.1 Positive consequence of turnover

Researchers have opined that there are compelling reasons why a certain level of staff turnover should be encouraged. When turnover is too low, fresh blood and new ideas are lacking and an organization can quickly find itself turning into an ageing machine, unable to cope with change. Some staff turnover has benefits, and can help increase productivity by ensuring better matches between jobs and workers, as well as offering more flexibility to promote and develop valued staff (Loquercio *et al.*, 2006). It can also allow an organization to adapt to market changes without going through costly layoffs. Certain organizations accept a relatively moderate level of staff turnover because it keeps the organization dynamic.

A low level of employee turnover is acceptable in any occupation, in that it offsets potential stagnancy, eliminates low performers, and encourages innovation with the entry of new blood.

2.4.2 Negative consequences of turnover

However, high levels of employee turnover lead to low performance and ineffectiveness in organizations, and result in a huge number of costs and negative outcomes (Ingersoll & Smith, 2003). Several researchers have found that high turnover rates might have negative effects on the profitability of organizations (Allen D, 2000). Lee T.W (1994) viewed turnover as a serious problem having a strong bearing on the quality of products and services and incurring

considerable replacement and recruitment costs. Clark-Rayner , P. & Harcourt , M. (2000) opined that high turnover can damage quality and customer service which provide the basis for competitive advantage, thereby inhibiting business growth. Also, it has been observed that people who leave are those who are most talented as they are the ones likely to get an opportunity elsewhere. Turnover often ends up in valuable talent moving to competing entities. Therefore, it is only desirable that management should accord special attention to prevent turnover and puts in place a sound strategy for improving staff retention.. The loss of employees can result in increased work load to the other employees in the company.

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 (Riyaz Rainayee , 2012) .High rates of employee turnover will cause lower employee productivity. Managers quickly get frustrated with the constantly revolving of employees&more burdens on the manager to work hands-on in the business or store (Riyaz, 2012).

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.

2.5 Purpose of Retention:

Unnecessary employee turnover costs an organization needless expense (Clark-Rayner , P. & Harcourt , M. (2000). Replacements and training expenses have a direct impact on organizational costs, productivity and performance, and as such, an increasing number of organizations are now recognizing employee retention as a key strategic issue The main purpose of retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery (Hollman,K.W 2006).

Retention activities may be defined as a sum of all those activities aimed at increasing organizational commitment of employees, giving them an overall ambitious and myriad of opportunities where they can grow by outperforming others (Lochhead C.& Stephens A. (2004). Given the development of new managerial approaches to retention, labor market dynamism, and

evolution in research methodology and technology, it is not surprising that turnover continues to be a vibrant field of research despite more than 1500 academic studies addressing the topic.

Hinkin & Tracey (2000) noted that even for jobs that do not require high level of skills, a retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve interaction with customers.

Extant literature has so far overwhelmingly proved the importance of valuable workforce or functional workforce for the survival of an organization (Allen D., 2000). Mercer Human Resource Consulting (2004) advised that turnover costs ranging anywhere from 50 to 150 percent of annual salary, compounded by the skills shortage and the ageing workforce. It has been seen that turnover is accompanied by heavy replacement and training expenses and therefore, organizations need to take a serious relook at the turnover rates and put a replacement strategy in place (Allen,D. 2000). Lochhead C.& Stephens A. (2004) noted that retaining a healthy team of committed and productive employees is necessary to maintain corporate strategic advantage.

Hence, organizations must design appropriate strategies to retain their quality employees. These strategies may range from lucrative compensation packages to involving employees in every sphere of the functioning of the organization (Lochhead C.& Stephens A. (2004).

Empirical studies (Hom& Griffeth, 2004) have revealed that factors such as competitive salary, good interpersonal relationships, friendly working environment, and job security were reported by employees as key motivational variables that influenced their retention in the organizations.

It is important to recognize the commitment of individuals to an organization, as well as the organization's need to create an environment in which one would be willing to stay (Harris, 2000). It is often believed that an organization is only as good as its people. Organizations failing to retain high performers will be left with an understaffed, less qualified workforce that ultimately hinders their ability to remain competitive (Hom& Griffeth, 2004).

Therefore, worldwide, retention of skilled employees has been of serious concern for organizations in the face of ever increasing high rate of employee turnover (Long, C. S., Ajagbe,(2012). Globally, managers admit that one of the most difficult aspects of their jobs is the retention of key employees in their organizations.

Retention is a critical element of an organization's approach to talent management (Lockwood, 2006). Empirical studies such as Hom& Griffeth, 2004) have shown that employees, on an

average switch employers every six years. Replacing existing employees is detrimental to organizations and may have adverse effects on service delivery. It is therefore imperative for management to reduce, to the minimum, the frequency at which employees, particularly those that are crucial to its operations quit (Hom& Griffeth, 2004).

Breaugh, T. (2000) contends that the objective of retention policies should be to identify and retain committed employees for as long as is profitable both to the organization and the employee. It can be further categorized as functional or dysfunctional. When non-performers leave and performers stay, it is identified as functional, and can in fact assist organizations to increase optimal performance. On the contrary, when non-performers stay and performers leave, retention is highly dysfunctional, and damages organizational innovation and performance (Hollman,K.W 2006).

Hollman K.W (2006) noted that the main purpose of retention is to prevent the loss of competent employees from leaving the organization as this could have adverse effect on productivity and profitability. Similarly,

Researches indicated that large open-plan offices with few dividing walls or partitions tend to reduce employees significance and autonomy, overcrowding and darkness make matters worse. Therefore, as far as possible, employers should consider making workspace attractive to employees.

Proper orientation is one of the mechanisms that reduces turnover especially the one that occurs in the first months of employment. The induction packages include proper orientation about terms of employment, security issues, health and safety regulations, wage and benefits, organizational rules and policies, employee development opportunities, sufficient information about the organization and the industry, job performance issues including job description, standards, appraisals, and role within the department (. Breaugh, T. (2000).

However, Breaugh ,T (2000) reminded that there is no one size fits all strategy and every retention programme has to be tailor made to suit a particular company. One of the companies cited as an example by the author in the study had made senior executives accountable for retention of those employees who directly reported to them. At the same time, new managers had been given better orientation and training, not only as a way to retain them but also use their improved people management skills as a retainer for those they manage.

Griffeth *et al.* (2000) propounded that lack of punctuality and frequent absence can be predictors of turnover because they represent symptoms of withdrawal from the organization. Turnover may also be influenced by certain other factors, such as attitudinal, behavioral and organizational factors. In today's competitive world, high-performing employees are looking for more than compensation packages and benefits. More specifically, what the employees nowadays are looking for is interesting work, employer flexibility, feeling valued and having training and advancement opportunities which finally, become the major factors influencing their decision to change jobs (Zimmerman, (2009).

The key to preventing employee turnover is to have a positive work environment where employees are recognized and rewarded for good performance, where there is good communication, and where everyone shares in the excitement of being part of a successful organization.

Therefore, it's imperative for an organization to develop retention plans, together with relationship building with the key employees. As a summary the following are the mechanisms to retain employee recruit Suitable Employees and Retain Valuable employees and provide suitable pay scale, and Organizational Factors, promotion satisfaction, organization Culture. Effective Leadership, training and Development., Job Satisfaction balancing Work and Family Life , *Instill a Positive Culture & Mentoring Program*, Give feedback and coaching to employees

2.6 Costs associated with turnover

In their analyses of turnover costs, Mercer M.W (1988) concludes that employee turnover is costly for organizations. Every time an employee quits, a replacement must be recruited, selected, trained, and permitted time on the job to gain experience. Max well,F. (2010)concur and enumerate the costs of turnover to include, recruiting costs, selection and or employment costs, orientation costs, training costs, lost wages/salaries, administrative costs, lost productivity, loss of human capital, and customer satisfaction issues. It is important for management to know why employees, particularly high performing employees resign from the organization. The common way of investigating employee's resignation is by conducting an exit interview which also is another cost to the Organization. The reason given by Phillip (2009) for such interview is to investigate the reasons for the employee's withdrawal.

If the reasons given by the employee suggest inadequacies on the part of the organization (for example, inadequate salary, inequity, poor promotion, etc.) management can review the issue

and this will help the organization in the formulation of retention policies that adequately provide for the shortcoming. In conducting an exit interview, some costs are involved and they must be taken into consideration when calculating turnover costs. Phillip (2009) lists these costs to include the time of the person conducting the interview and the administrative costs involved in processing the resignation letter, including stationery and printing. Before a recruitment process is initiated, a job analysis is necessary to determine the job content of the vacant position. A job analysis expert will have to be consulted to evaluate outstanding work and job requirements of the vacant position. These costs also represent turnover costs and must be considered. Training and re-training of employees constitute one of the most crucial aspects of management in both the public and private sector organizations.

2.7 Consequences of Employees Turnover on Real Estate Construction projects:

2.7.1 Increase in work load for employees:

Horton, (2007), states that the escalation in the rate of labor turnover is a major concern for businesses and is clearly impacting on organizational performance. High level of stress leads to employees making unnecessary mistakes/accidents and low morale leads to them not caring about what they do. Staff turnover breaks the team spirit and group cohesion, which is necessary for the successful and smooth running the business. Gupta (2008) states that “the real cost of staff turnover leads to lowered morale among other employees who must shoulder the workload, lost revenue from sales not made, the loss of customers who fled to competitors for better service”. The morale of staff may be lowered because work overload, overtime work, substitute personnel and working with fewer staff than required is problematic. This causes an increase in errors during the performance of activities and results in poor service.

2.7.2 Disruption to service delivery and loss of profit

As the labor market continues to tighten, employers are increasingly concerned about maintaining a stable workforce. They need competent, dedicated, and effective workers to serve their customers to fulfill their missions. Without a sufficient qualified and productive workforce, employers are vulnerable to competitive forces as well as the impact of negative relationships with their customers. It is frustratingly difficult to find, recruit, and hire the caliber of employees that companies desire today.

Stability in a company's workforce has a number of advantages for the company's health, for workers, for customers, for suppliers, for investors, for the industry, and for the economy at large. If the workforce is stable, management can invest its energy in moving the company forward. Leaders are not distracted by the need to continually hire new (replacement) employees, so they can concentrate on product/service development, marketing, quality and process improvement, and investment of surplus funds. They aren't required to staff their human resources department to feed "the revolving door. Stable workforce employers have a greater potential of strong profits.

2.7.3 Increased Customer Dissatisfaction

According to Homer (2007) states that staff turnover is costly and disruptive. It reduces the outputs and is disruptive as it requires the schedules and programs to be modified. It causes the organization to lose a lot of money because they have to employ other staff to come and help. There are a number of reasons that contributes to the rate of turnover in companies and they vary. They both stem from the company the employees. Turnover is a very expensive aspect to companies, the reason the employers gives it importance.

According to Paul,M. (2009)), Employers incur considerable direct and indirect expenses when employees leave the company. Among other costs, they include, advertisement, headhunting fees, resource management expenses, time and efficiency and cost of training and development. The company needs to frequently examine the costs of turnover and create mitigation. If the company determines the most common causes of employee turnover, it would certainly be able to take the necessary steps for recruiting and retaining well-qualified personnel.

According to Phillip. (2009) employee efficiency is an outcome of the employee's knowledge, capability, motivation, workplace environment, etc. Generally, efficiency is defined as "output gained from the fixed amount of inputs". Likewise, employee efficiency is the output gained by the inputs of the employee, with a goal to bring out profit to the company and to the employee himself. Enhancing an employee's efficiency is not only dependent on the inputs of the employee, but also by the aid provided by the organization and the nature of workplace environment.

According to, Phillip. (2009) measuring employee efficiency is to calculate an employee's qualitative and quantitative work, it can be calculated on a monthly basis, yearly basis or by daily assessment. Before measuring an employee's efficiency, it is necessary to determine what outputs to be measured are. According to Duncan (2008) if an employer expects too much output from the employees, they will find shortcuts to achieve the expected benchmark and as a result, quality will suffer. Conversely, if less efficiency is expected, the company's overall performance will decline because of inefficient use of available resources (Buttrick,2009).If a manager wants to measure employee's efficiency in the organization, he needs to know how to use certain basic software tools such as bar graph, pie chart, spreadsheet (Horton, 2007).

Blashka(2007) contended that efficiency is linked to employee morale. When employees are happy at work they have more motivation, which increases efficiency. Poor morale causes employees to be disengaged. A study done by the Corporate Executive Board says that because employee engagement is down there has been a 5% decrease in efficiency. If employees are not given the proper resources to do their jobs easily and efficiently, their efficiency will suffer. Innovative technology is one way that employers can boost efficiency. Having automated, electronic processes for certain tasks can free up employee time so that they can maximize their efficiency with other tasks. There are ways to tackle low efficiency. Efficiency can be combated by installing monitoring software that tracks what employees do all day long. This will eliminate wasted employee hours spent surfing the Internet or talking to friends over email and instant messaging.

2.7.4 Cost and time overruns:

Loss of employee talent hinders the development of new products, disrupts client relationships and delays customer deliverables. These production delays, along with replacement costs of employee turnover, negatively affect overall business performance and success.

2.7.5. Incurs additional cost of recruiting

When employees leave a firm and needed to be replaced by a new employee, the firm will need to replace an advert which entails a cost and also the training of new employee on the work he is to carry out in the organization, thereby incurring a cost on the firm. New employees who come in to replace the outgoing employees will not have the basic knowledge and expertise to execute

his task. Employees who are new in an organization are accident prone due to their little knowledge of the organizations environment.

2.8 Determine the mitigating strategies of reducing employees' turnover:

Based on the review of literature the list of practices used to reduce labour turnover that capture the main types of interventions are:

2.8.1 Working Environment

According to Martin (2005) Human resource is very essential in running any business, without which there would be no success. However, employers are faced with the dilemma of turnover as employee average stay in the company is 23-24 months. according to the 2006 Bureau of Labor Statistics (Izzack,2010) .the Employment Policy Foundation states it costs the employer an estimate of \$15,000 per head, including separation costs, paperwork, unemployment; vacancy costs, including overtime or temporary employees and replacement costs including advertisement, interview time, relocation, training and decreased efficiency when colleagues depart (Horton, 2007). Providing a stimulating workplace environment, which fosters happy, motivated and empowered individuals, lowers employee turnover and absentee rates. Promoting a work environment that fosters personal and professional growth promotes harmony and encouragement in all levels of organization (Martin, 2005). one of the largest factors that determine employee turnover rates is the workplace atmosphere. Employees need to feel respected and important to the business, as opposed to expendable. How managers and supervisors behave towards employees is of particular importance, since many employees will have to deal with management on a daily basis and may rely on them for workplace reviews, raises, and requests for vacation or sick leave. Training managers to treat employees with respect and conduct business in a transparent manner can be a major factor in keeping good workers on the job.

2.8.2 Remuneration/compensation and benefits

Remuneration is the most common cause of the employee turnover rate being so high. Employees' value jobs that compensate them well. Companies that do not offer good salaries, tend to face the highest turnover. To avoid this scenario, companies should strive to be competitive enough in order to retain qualified and talented personnel.

It is important to distinguish between what might be called normal or standard compensation — wages, salaries, benefits, etc. — and what is commonly referred to as 'performance-based

compensation,' i.e., specific forms of compensation that are paid for workers or groups of workers who attain certain objectives vital to a company's business strategy. Performance-based compensation — or 'pay for performance' — is becoming an increasingly popular form of compensation, particularly since its various forms are closely tailored to very specific company objectives, including employee retention

Competitive compensation packages can signal strong commitment on the part of the company, and can therefore build a strong reciprocal commitment on the part of workers. However, to the extent that it contributes to retention, competitive compensation is also likely to affect both desirable and undesirable turnover: it will help to retain workers, irrespective of the quality of their contribution to the company. (Lockhead C. & Stephens A. 2004)

While there is general agreement about the importance of competitive compensation for employee retention, there is also a growing consensus that competitive, or even generous compensation will not single-handedly guarantee that a company will be able to keep its most valuable employees (Lochhead C. & Stephens A. 2004).

Building "affective commitment" (Meyer et al, 2003) involves much more than paying well, and that retention based on the principle of "compensation-based commitment" is sensitive to changes in compensation within the company. Employers that base their retention on compensation-based commitment will always be vulnerable to the possibility that their competitors will be able to offer better wages and thus lure away their employees.

Similarly, Smith (2001) cited in Lochhead et al argues that "money gets employees in the door, but it doesn't keep them there." In fact, many companies have done a very good job of retaining their employees without any pay-based retention incentives (Pfeffer, 1998). Organizations should not discount the possibility that certain companies get along very well without offering high levels of compensation for reasons that are not of their own doing. Workers in large urban centers where industrial establishments are concentrated may be more likely to move to the competitor down the street even for very modest wage differentials. Companies situated in more isolated areas know that their workers are less likely to move for small increments in compensation. Companies that wish to develop a successful retention plan that includes compensation and benefits must always understand their own unique characteristics and circumstances. (Lochhead C. 2004)

2.8.3 Performance-based Compensation

In general, the key purpose behind performance-based compensation is twofold. It is (i) a means of modifying individuals' behavior within an establishment in order to better align their activity with particular business objectives, and (ii) a way of influencing the development of particular types of organizational culture e.g., team-based pay can lead to a stronger team-based culture, skill-based pay or profit-sharing can contribute to a culture of stability and mutual commitment, etc.; (Meyer, 2003)

Lawler's typology of compensation systems (1990 cited in Loch-head et al 2004) states the list presented below as a retaining mechanism for performance-based pay.

i. Incentive Pay: systems pay pre-determined amounts for each unit produced (piece-rate).

ii. Merit pay: allocates pay increases based on individual performance. It can play a major role in attracting and retaining particular employees, and can lead both to good retention and beneficial turnover, i.e., good performers stay and poor performers leave.

Where teamwork is an important part of productive activity, individual merit pay may not work well. As with other forms of performance-based compensation, individual merit pay can cause excessive competition for incentives, and can promote counter-productive behavior, e.g., hoarding important information rather than sharing it widely within the company and other forms of 'zero-sum' behavior.

iii. Gain sharing: Financial gains in organizational performance are shared with all employees in a single plant using a predetermined formula measured against a historical benchmark. Gain sharing is usually based on a participative management approach, for example, suggestion systems, shop floor committees, self-directed work teams, in order to enhance the coordination of teamwork and sharing of knowledge.

iv. Profit Sharing: pay is related to the company's overall financial performance. Profit sharing is different from gain sharing in that it does not necessarily involve participative management, and does not measure employee-controlled or productivity-related financial performance.

v. Employee Stock Ownership Plans (ESOPs): For publicly traded companies, employees are partly compensated through shares in the company's stock. Employee ownership arrangements can include stock options plans, stock purchase plans, and employee stock ownership plans.

vi. Skill-based Pay: Under this arrangement, the employee is paid according to his or her skills and experience, i.e. the company pays for the person rather than the job position. Skill-based pay

can help organizations meet their skill requirements by directly motivating workers to learn specific skills. The major advantage of this pay system is that it can promote a culture of flexibility. Individuals can perform multiple tasks, including filling jobs in the wake of turnover. Skill-based pay can also contribute to lower turnover since individuals will be paid more for their knowledge and will be unlikely to find similarly attractive pay in firms using more traditional job-based pay systems

vii. *Bonus Plans:* These have the advantage of being flexible, and capable of targeting particular behaviors that a company might want to change or promote without increasing fixed costs.

viii. *Retention-based Compensation:* These include bonuses and other forms of compensation based on job tenure. Meyer (2003) notes that a potential disadvantage to this form of compensation is that it can contribute to reduced employee motivation, inhibit behavioral change, encourage risk aversion, and can often be expensive for organizations with long employee tenure.

ix. *Team-based Pay:* A type of pay, in which work teams are uniformly compensated for the performance of the team as a whole. Again, team-based pay must be aligned with intentions to promote certain types of behavior. Properly managed, team-based pay can reinforce cohesion at the group level and generate strong performance by particular work teams.

2.8.4 Recognition and Rewards

Rotundo (2002) argues that reward systems ought to be a significant sphere of innovation for employers. The increasing diversity of the workforce, she says, suggests the need for more creative approaches to tailoring the right rewards to the right people. It would, however, be impossible to list all of the various types of recognition and rewards that companies actually give their workers. It is clear that recognition and rewards—as part of a more comprehensive effort at keeping workers or adopting good workplace practices—can contribute to increased retention.

2.8.5 Training, Professional Development and Career Planning

Training and development are so enthusiastically embraced as key factors to good retention is no doubt due to the fact that well-developed training programs are becoming ever more essential to the ongoing survival of most modern companies, whether or not retention is an important issue to that company. To the extent that operational paradigms such as “The Learning Organization” or

the “Knowledge-Based Organization” continue to take hold in the contemporary business world, training is only likely to become more important. (Lochhead C. & Stephens A. 2004)

In any event, retention reflects a desire to keep one’s valued people; but it is just as much about keeping and managing the skills that a company needs to meet its goals. The provision of training is a way of developing those skills in the first place. The fact that providing it also turns out to be a benefit that is highly valued by those who receive it makes for a very powerful approach to doing business.

2.8.6 Recruitment and Orientation

How companies recruit and how they provide orientation in the first days on the job can be of crucial importance to keeping workers over the longer term. Failure to effectively recruit and orient employees may impose significant separation and replacement costs down the road (Lochhead C. & Stephens A. 2004). Smith (2001 cited in Lochhead C. & Stephens A. 2004) attributes 60% of undesirable turnover to bad hiring decisions on the part of the employer. “Bad hiring decisions” may cover a number of considerations, including overly hasty selection processes that fail to ensure that the job candidate really has the adequate skills and qualifications to do the job for which she or he is hired.

2.8.7 Healthy Workplace and Well-being Programs

There is a growing body of evidence that workplace safety, health and wellness initiatives can make a fundamental contribution to business performance as well as the improved health and well-being of individual employees. Healthy workplace practices take on a variety of forms, including those directed at the physical work environment (safety, ergonomics, etc.); health practices (supporting healthy lifestyles, fitness, diet, etc.); and social environment and personal resources (organizational culture, a sense of control over one’s work, work-family balance, etc.). Thus, to the extent that emotional and mental wellness is important to good retention and other indicators of business performance, companies might be well-advised to turn their attention to factors in the workplace that cause stress in the workplace.

2.8.8 Works-Life Balance

Work-life balance programs cover a variety of interventions, and include such practices as dependent care leave, childcare subsidies, eldercare programs, counseling and referral, and flexible working hours Blashka, P. (2007). As the list suggests, the concept of “work-life

balance” recognizes that employees have important family and extraprofessional obligations that compete with their professional commitments; benefits that may be grouped under this concept therefore allow people to strike a more meaningful and potentially less stressful balance between obligations at the workplace and obligations at home.

2.8.9 Job Design and Work Teams

With respect to retention, “intrinsic” rewards are just as important as material rewards. That is workers value their jobs not only when they are well compensated, but often because doing the job is in itself a rewarding experience — in other words, it is fulfilling, challenging, interesting, and stimulating Practices such as autonomous or semi-autonomous work teams, ‘self-scheduling,’ and job rotation can not only improve retention but have also been shown to improve a number of other important indicators such as productivity, accidents and injuries and product quality. (Lochhead C. & Stephens A. 2004)

In any event, if promoting good retention is one of the objectives in allowing for greater autonomy on the job, presenting more interesting challenges, or increasing the diversity of tasks, then the entire exercise must clearly begin with two questions: “How can one design this particular job assignment or position in such a way that is more interesting or intrinsically rewarding to the individual who occupies it?” and “What forms of job design or work organization are appropriate to the workplace?”

2.8.10 Communications and Employee Participation:

Staff turnover can also have a negative impact on other employees by disrupting group socialization processes and increasing internal conflict, which can lead to triggering additional absenteeism In addition, the interpersonal bond that is developed between employees is central to the communication patterns that are characteristic and unique to any organization. People grow professionally and personally, and good employers are able to accommodate these changes in the circumstance. A highly satisfied workforce is far more capable of meeting organizational goals and customer needs than an apathetic and uninspired one.

Most, if not all, of the other types of practices described above fundamentally depend on a sound approach to communicating with employees. Without communications, many of these practices would be difficult to implement, or it would at least be difficult to implement them with the goal of retaining employees. To illustrate with examples: (Lochhead C. & Stephens A. 2004)

There is no magical formula for effective communication. It is clear, however, that the success of any communications practices will hinge upon management's commitment to and belief in the value of good and open communications in the first place; the lack of leadership will otherwise ensure that communications practices are dropped or not adopted as a part of the company's culture. Thus, implementing practices in the absence of a willingness to communicate — about both positive and negative matters — will not likely contribute to retention. Communications is, in the end, a general feature of a company's culture, and not reducible to particular practices, systems or interventions.

Employers who communicate regularly with employees lessen the risk of creating a workforce that feels undervalued and unappreciated. Keeping employees informed about organizational changes, staffing plans and fluctuating business demands is one way to ensure employees remain with the company. Neglecting employee concerns about job security through lack of communication or excluding employees from discussions that can affect their job performance, such as policy or procedural changes, negatively impacts the way employees view their employer. Their views transform to dissatisfaction and finally low productivity due to low morale and disengagement.

2.8.11 Performance Appraisal and Performance Management

Performance appraisals are not uncommon to organizations. However, what counts as an appraisal or performance management varies a great deal in sophistication and organization. The process of employee performance evaluation should be closely tied to strategic objectives, provide good feedback to employees and give them a view of their longer-term progress within the company, and potentially married to training and other development opportunities.

Generally speaking, performance management seeks to:

- Develop an objective basis for talking about performance;
- Let employees know the difference between acceptable and unacceptable results;
- Increase job satisfaction by letting teams know when a job is well done;
- Let new staff know about expectations regarding job performance, and;
- Encourage an open and trusting relationship with employees. (Lochhead C. & Stephens A. 2004)

Performance appraisals inform a number of HR decisions related to compensation, training, promotion, and even termination. However, as part of a human resources policy that values open

communication and employee commitment, performance appraisals also allow objectives and values to be effectively communicated to employees and can ensure a steady stream of critical feedback about business processes (Rotundo, 2002). When closely aligned with ongoing training and career development, performance management can be a successful retention tool.

According to Meyer et al (2003), performance management aligns the goals of individual members to those of the organization with which they are associated. It requires clearly articulated and well-communicated strategic goals for the organization as a whole.

As with other retention practices, employee perceptions about the performance appraisal system can have an important impact on their decision to stay with a company. Most importantly, effective performance management requires a system that is fair, and that employees *trust* as being fair, both in terms of procedure (e.g., consistent and well-communicated evaluation criteria) and in terms of the potential benefits arising from such evaluations (e.g., training, professional development). Indeed, fairness and openness about the evaluation process are of paramount importance when performance management is tied to specific rewards or advancement. (Lochhead C. & Stephens A. 2004)

Chapter Three

Research Methodology

3. Introduction

This chapter presents the elements of methodology that were applied in the study. The chapter covers research design, population of the study, sample size, sampling procedure, and instruments, procedure for data collection and data analysis.

3.1 Research Design

A research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with time and money in consideration. In fact, a research design is the conceptual structure within which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data (Kothari 2003:7). This research has a descriptive nature describing the existing phenomenon as it exists. According to Kothari (2003:8), descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. In a very real sense, description is fundamental to all research. And hence, to assess the impact of skilled manpower turnover on Real Estate construction projects within the context of Flint Stone Engineering, this research paper shall lend itself to the combination of qualitative and quantitative data collection tools along with the tools that go with them. Qualitative method has been chosen as it uses ,unreconstructed logic to get at what is really real -- the quality, meaning, context or images of reality in what Flint Stone Engineering do. The quantitative method helps for quantification of certain variables in the study population.

3.2 Sources of data

Both primary and secondary source of data were used in conducting the research

3.2.1 Primary Data

Important sources of primary data for this study were collected through; key informant interviews and questionnaire. Key informant interview is important to generate rich data from project managers and functional managers, team members staff who directly are working on project at different site in Flint Stone Engineering.

3.2.2 Secondary Data

Necessary documents were also reviewed to get required secondary data. Official reports, study documents and employees feedback are important sources of secondary data reviewed.

3.3 procedure of data collection

Before distributing questionnaires to the respondents, the researcher obtained their consent and explained the purpose, and its confidentiality of filling out the questionnaire. Why the information was needed and gave assurance that information collected would be kept confidential and would be used solely for academic purpose. The researcher will neither attempts to uncover the respondent's identity nor examines the responses on an individual basis.

The researcher collected quantitative data by using a self-administered questionnaire i.e. distribution and collection was done by the researcher himself. Since it was difficult for the respondents to complete the questionnaires immediately, the researcher left the questionnaires with the respondents and picked them up later. The structured questions were used in an effort to safeguard time and money as well as to facilitate in easier analysis as they are in immediate usable form.

3.4 Population of the Study

In this study the target population in statistics is the specific population about which information is looked for. Kombo & Tromp (2006), stated population as a group of individuals, objects and items from which samples are taken for measurement. A target population is the aggregate of all cases that was be straight to some selected set of conditions. For the purpose of this study, the target population is the employees of Flint Stone Engineering who are working for more than six months.

3.5 Sampling Frame

According to Mugenda & Mugenda, (2003), a sampling frame is a comprehensive list of all sampling units, which a sample can be selected. The sampling frame for this study is the lists of employees of Flint Stone Engineering, which is two hundred fifty eight as of December 31, 2017.

3.6 Sample size

To determine the appropriate no of sample size, the study adopted Carvalho J. (1984) sample size determination as presented below.

Table 3. 1 Sample size determination

population	Sample size		
	low	medium	high
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10,000	80	200	315

(Source: Carvalho (1984))

.As of December, 2017 Flint stone Engineering has 258 employees who have been working in head office and at different project site. According to the above sample size determination 50 employees were taken and questionnaires were distributed to them.

The study used purposive sampling technique in order to get unbiased response.

3.7 Data Analysis and Interpretation

It is anticipated that the study generated both quantitative and qualitative data. Descriptive statistics data analysis method will be applied to analyze numerical data gathered. The Statistical Package for Social Sciences (SPSS) computer software will be used for analysis to generate data array that will be used for subsequent analysis of the data. SPSS latest Version used to describe and assist in variable response comparison and gives clear indication of responses frequencies. The findings will be presented using tables, since tables are user friendly and shows response frequencies as well as percentages of the respondents' opinions on the impacts of employee turnover on the projects. Qualitative data analyses method will be applied to analyze the data gathered using open end questions where the respondents give their personal opinions on the impacts of employee turnover on project performance. Variables such as income, sex, age, length of year they have been working in Flint Stone Engineering, education status, were also analyzed.

For qualitative data that was gathered through key informant interview, and documents review was described verbally.

3.8 Validity and Reliability

The validity and reliability of the research has been taken into consideration. The study gave virtuous care for issues of the data, the process and the output of the research. Validity of the questionnaire was done through consultations with the advisor in order to establish any built-in errors in the measurement of the questionnaire.

The researcher also did Cronbach's alpha test to check reliability, of the questionnaire using the latest SPSS version. The finding showed that overall Cronbach's Alpha value is 0.730 which is considered as acceptable, suggesting that the items have relatively high internal consistency.

The reliability of the questionnaire is presented in the table 3.1 indicates that the proposed constructs have a relatively high reliability, having a Cronbach's alpha value ranging from 0.702 – 0.787, which is considered as satisfactory.

Table 3. 2- Reliability result of the construct

No	Variables	Cronbach's Alpha	No of Items	Scale
1	Reasons for skilled employee turnover	.727	6	1-5
2	Consequences of skilled employee turnover	.787	5	1-5
3	Possible solutions for reducing turnover	.702	5	1-5

Source: own survey

3.9 Ethical Issues and Considerations

The study will be conducted in such a way that it will consider ethical responsibility. Ethical responsibility include, providing information about the study for respondents (like who is conducting the research, for what and who will benefit), also the study provided anonymity, means the information from the respondents will be confidential and will not be used for any personal interest.

Chapter Four

4.1 Data presentation and Analysis

4.2 Views of Human Resource management at Flint Stone Engineering S.C

As per the interview made with the Human Resource Manager on issues related to intensity, reason, cost of employee turnover and retention mechanisms followed by Flint Stone Engineering to tackle the problem are presented .The results are important in providing comparison on what management think as causes of employee turnover and what employees perceive as causes of turnover at Flint Stone Engineering.

4.3. Reasons for termination

The Management of Flint Stone is aware of the mobility of skilled manpower which occurs at a significant rate which has caused an additional cost on recruiting and training, loss of profit and increase work load .As per the view of the Human Resource Manager, the organization is losing its skilled manpower mostly to other competitors where the compensation system is relatively better.

There were exit interviews made when employees leave, they wrote the reason for termination on their application letter submitted. The management tried to understand the reason. But the researcher has also tried to look at some of the employee personal files who resigned during the last two years found that it is in accordance with the comment of the Human resource manager. The Human Resource Manager also said that there is equal opportunity for promotion and development for all employees in Flint Stone Engineering .Whenever there is vacancy, it is posted on a notice board where everyone can see and a telegram and a letter is sent to different project sites so that employees working on the Projects can also apply and compete for the vacancy. According to human resource manager, the basic criterion for promotion was the performance evaluation of that individual employee. Through this, employees' contribution to the achievement of Flint Stone's objective, especially those of the top performers was recognized by promoting them. However the performance appraisal has not been regularly conducted and these caused irregularity in handling the promotion issue.

The manager feels that the compensation system of Flint Stone is more or less adequate. The main reason according to him that employees are leaving Flint Stone is due to the search of better pay and working condition.

In relation to the relationship between management and employees, he believes that there is smooth relationship between management and employees as there is no dispute or grievance raised to the administration attention by the employees particularly the relation between the project managers and team members are satisfactory however there is some communication gap between departments at Head office.

4.4 Turnover Rate

As indicted in Table 1 below, during the period between January 2013 to December 31, 2017 Flint Stone recruited a total of 127 employees. On the other hand, in the years under review 223 employees who had voluntarily terminated their employment with Flint stone? The turnover rate in the current year (2017/2018) figure is still high. The rates of voluntary employee turnover in the years under review were 192, 258, 125, 190 and 125 percent respectively.

Table 4. 1-Skilled labor voluntary turnover

Year	Employed	Skilled labour Voluntarily resigned	Skilled labour Voluntary turnover rate
2013 G.C	27	52	192%
2014 G.C	24	62	258%
2015 G.C	27	34	125%
2016 G.C	21	40	190%
2017 G.C	28	35	125%
Total	127	223	

Source: office report data from 2013-2017 G.C.

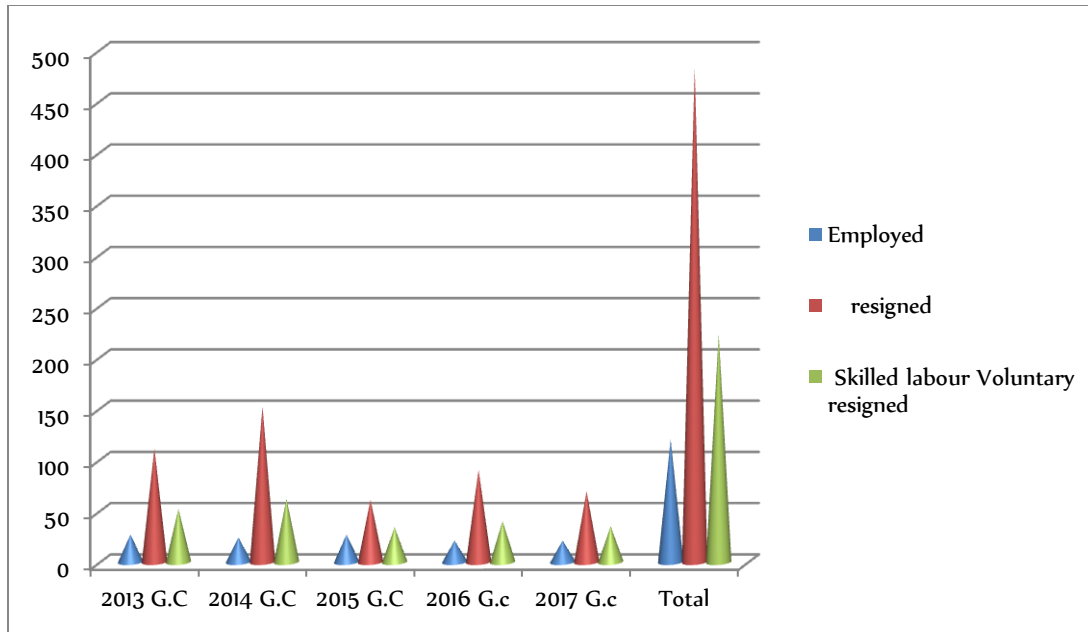


Figure 4. 1 Skilled labor voluntary turnover

4.5 Cost and Retention mechanisms

Flint Stone uses newspaper advertising mostly Fortune and capital to notify potential applicants for available posts. It also accepts potential applicant as unsolicited applicant. It costs on average twenty to twenty five thousand Birr to advertise the posts, for training and induction socializing costs, selection costs..

As a retention mechanism, Flintstone was applying the following mechanisms to reduce the skilled manpower by giving full information to new employees when they were hired on working conditions, by offering some compensation.

4.6 Respondents View and Demographic Data:

Among the 258 current employees of Flint Stone Engineering S.CO at different project sites and Head office, the number of selected respondents were 50(19%). Out of whom 47 (94%) have responded and returned the questionnaires.

As I have mentioned earlier that the limitation of the study is the Ex-employees of the company who left before were not found personally to get their view on the questionnaire. However, there was recorded exist interview in their human resource archive. Most of them quit due to in search of better salary and working condition.

The demographic variable of the respondents such as gender, age, education status, and income, length of the year they have stayed in Flint Stone and their work experience and terms of employment was collected and the results presented as follows.

Although better, follow up favors for effectiveness of collection, almost all of the respondents returned completing the questionnaire. The respondents are almost homogeneous, employees of FlintStone Engineering who are working on different projects with diversified area of specialization. Hence, it is enough to analyze the findings.

4.6.1 Gender and Marital status of the Respondents

Male respondents dominate gender category with 83 percent of the total respondents while the rest are female. As shown in the tables 2 below 38.3 percent of the respondents are married and 61.7 percent are unmarried.

Table 4. 2- Gender and marital status of the respondent

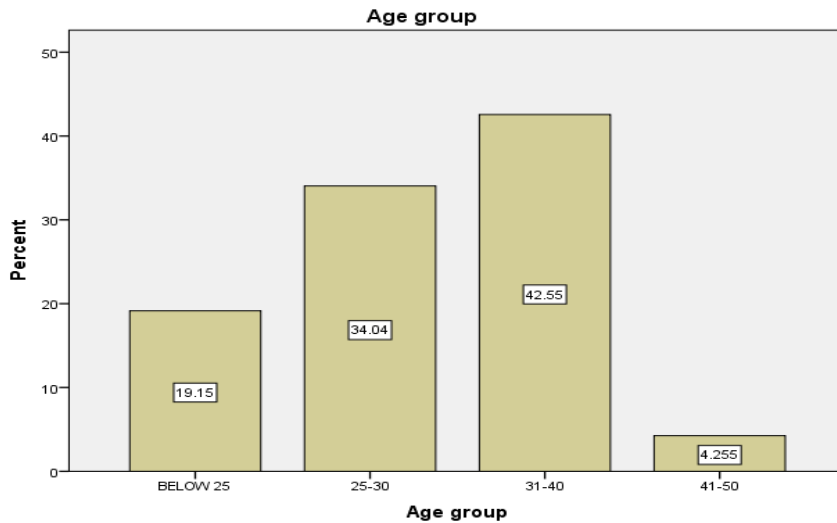
Gender	Frequency	percent	Valid percent	Cumulative percent
male	39	83	83	83
female	8	17	17	100
Total	47	100	100	
Marital Status				
married	18	38.3	38.3	38.3
single	29	61.7	61.7	100
Total	47	100	100	

Source: primary Data

4.6.2Age of the Respondents

Majority of the respondents are older than 30 years. Hence, they are mature enough to respond to questions related to importance of skilled manpower and other variables. Only, 19 percent of the respondents fall in age category below age 25 and 34 percent between 25 and 30 while the remaining 42.5 percent is between 31 and 40 age group. Four percent is above forty years of age.

Age is consistently and negatively related to turnover. Younger employees are more likely to resign than older employees. Table 4.2- displays age structure of the respondents.



Source: primary data

Figure 4. 2- Age group of respondents

4.6.3 Education Level of the Respondents

As indicated in table 5 below, 57.4 percent of respondents are qualified at first degree level; 12.8 percent are qualified at second degree level. This indicates that almost all of the respondents are graduates of colleges and universities. The rest 27.7 and 2.1 percent shared among those who fall in category of Diploma, and TVET respectively.

4.6.4 Years the employees have spent in Flintstone Engineering

With regard to work experience, that summarizes tenure of the respondents in Flint Stone Engineering 25.5, 27.7, 31.9, and 14.9 percent of respondents served Flint Stone for 1 year-3 years; 3 years - 7 years, 7 - 10 years, and above 10 years respectively. Increased tenure strengthens the propensity for employees to remain. Tenure is consistently and negatively related to turnover.

4.6.5 Income of the Respondents

Majority of the respondents fall in relatively lower income category which is below 8,000 is 40.4 percent as indicated in table-5 below. Those respondents who earn in the range of 8,001-15,000 are 27.7 percent. 21.3 percent of the Respondents who are earning between 15,000 and

25,000 per month. 10.6 percent of the respondents are earning in the range of above 25,000 and below 50,000.

4.6.6 Terms of Employment

Terms of employment is also one of the important factors that might have implication on turnover. Permanent employees dominate the respondents with 80.9 percent of the total while 19.1 percent are Contract t bases as shown below in Table 4.3. Actually, Flint Stone has been hiring different professionals on contract base because its nature of work is construction building project that is demanding to hire professionals on contract base during some phases of the project.

Table 4. 3 Respondents view on Educational, Work experience, Income and Terms of Employment

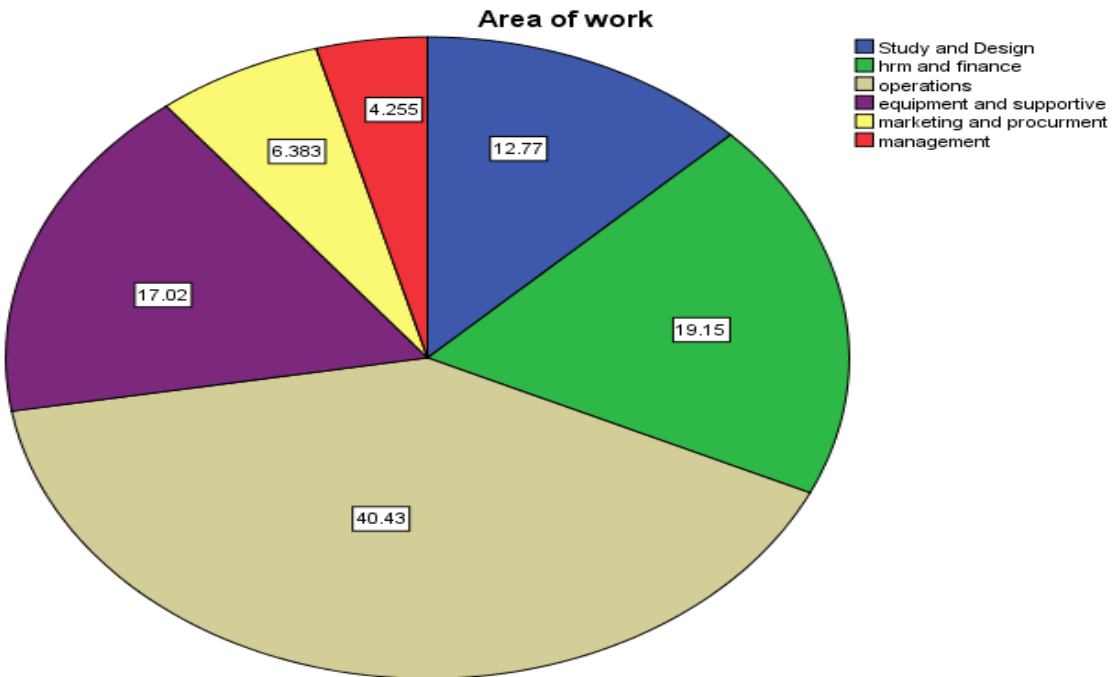
Educational Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
Tvet	1	2.1	2.1	2.1
Diploma	13	27.7	27.7	29.8
Degree	27	57.4	57.4	87.2
Master	6	12.8	12.8	100.
Total	47	100	100	
Work Experience				
1to 3 Years	12	25.5	25.5	25.5
3 To 7 Years	13	27.7	27.7	53.2
7 To 10 Years	15	31.9	31.9	85.1
Greater Than 10 Years	7	14.9	14.9	100
Total	47	100	100	
Income Of Respondents				
2001-8000	19	40.4	40.4	40.4
8001-15,000	13	27.7	27.7	68.1
15,001-25000	10	21.3	21.3	89.4
25,001-50,000	5	10.6	10.6	100

Total	47	100	100	
Terms Of Employment				
Contract	9	19.1	19.1	19.1
Permanent	38	80.9	80.9	100
Total	47	100	100	

Source: primary data

4.6.7 Professional areas of the respondents:

As shown in Fig 4.3. 40.4 percent of the respondents were in the operational area who were directly involved in the construction of the projects, 12.8, 19.1, 17.0, 6.4 and 4.3 percent of the respondents were from study and design, HRM and finance, equipment and supportive ,marketing and procurement, and management respectively.



Source: primary data

Figure 4. 3 Professional areas of respondents

4.6.8 Objective and mission of Flint Stone Engineering:

As indicated in table 4.4-59.6 percent of the respondents said that orientation is necessary because it would have given employees realistic view of the company's objective, mission and hence employees would know beforehand what they are going to find out. While 40.4 percent of them responded that they disagree with the idea.

Table 4. 4 -Job Objectives, Mission

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid YES	28	59.6	59.6	59.6
Valid NO	19	40.4	40.4	100.0
Total	47	100.0	100.0	

Source: Primary data

4.6.9 Pay satisfaction

In relation to table pay satisfaction as indicated in Table 4.5, 80.9 percent of the respondents said that they were dissatisfied with the amount of pay they get. And 19.1 percent said they were satisfied.

In response to a similar question by the Human Resource manager, whether Flint Stone's payment system is poor or not, the manager replied that though Flint Stone has been working on it to improve the benefits to make it competitive relatively when compared to other competitors but most of the quitters were in search of better pay and working condition.

There is evidence to support that there is negative relationship between wage or salary level and turnover. The data indicate that majority of the respondents are dissatisfied with the wage they are getting which is resulting in turnover in Flint Stone Engineering.

Table 4. 5-pay satisfaction

	measurement	Frequency	Percent	Valid Percent	Cumulative Percent
Are you satisfied with the amount of pay?	YES	9	19.1	19.1	19.1
	NO	38	80.9	80.9	100.0
	Total	47	100.0	100.0	

Source: Primary data

4.6.10 Cases of Employee turnover

The study wanted to find out if Flint Stone Engineering experienced cases of employee turnover and thus asked the respondents to indicate if Flint Stone experienced cases of skilled employee turnover. The respondents replied as shown in the table below.

Table 4. 6 cases of skilled employee turnover

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	39	83.0	83.0	83.0
Valid no	8	17.0	17.0	100.0
Total	47	100.0	100.0	

Source: Primary data

As per the preliminary research findings made by the researcher also found that there were serious cases of skilled employee turnover in Flint Stone Engineering.

4.6.11 Training

Table 4. 7-About Training

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid YES	33	70.2	70.2	70.2
NO	14	29.8	29.8	100.0
Total	47	100.0	100.0	

Source: primary data

As indicated in table 4.7, 70.2 percent of the respondent said that they took training. While 29.8 percent of the respondent claimed not to have received training provided by Flint Stone Engineering. The interview made with the Human Resource manager indicates that training and development is a priority in Flint Stone Engineering. Employees are encouraged to develop their skills by short as well as on the job training. As can be seen from the data, the majority (70.2 percent) received of training.

4.6.12 rating the level of skilled employee turnover in Flint Stone

The study sought to determine the level of skilled employee’s turnover in Flint Stone Engineering and thus asked the respondents to rate the level of turnover. As indicated the table-4.8 below that majority (55.3%) of the respondents rated the level of employees turnover in Flint Stone is to be high and 40.4 percent of them rated as medium level and only 4.3 percent rated as low level.

Table 4. 8 Rate employees’ turnover

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High	26	55.3	55.3	55.3
Medium	19	40.4	40.4	95.7
low	2	4.3	4.3	100.0
Total	47	100.0	100.0	

Source primary data

4.6.13. The reason of skilled employee turnover

The study to indicate the extent to which the reasons of employee's turnover were presented on the following table 4.9 below.

Table 4. 9-About extent to which the reason for employee turnover

Reason for employee turnover	Mean	Standard Deviation	Variance
Compensation system not satisfactory	4.85	0.36	.130
Lack of conducive working Environment	4.74	.441	.194
Lack of leadership and Communication	3.94	.763	.583
Lack of Training & Development	4.36	.486	.236
Job Dissatisfaction	2.89	.561	.315
Better job Opportunity	3.85	.589	.347

Source: primary data

Table 4.9 shows the mean standard deviation and variance results on the extent to which the reason of employees' turnover in Flint Stone. A mean of 4.85 indicates that the respondents indicated that unsatisfactory compensation system has been the reason for skilled employee turnover to a great extent, a mean of 4.74 presents that respondents expressed that lack conducive work environment h seen been the cause of skilled employee turnover in Flint Stone to a great extent, a mean of 4.36shows that respondents expressed that lack of career development opportunities has been the reason for skilled employee turnover to a great extent and finally a mean of 3.85 indicated that the availability of better job opportunity the reason for skilled employee turnover to a great extent.

The table 4.9 further shows that a low variance and standard deviation was obtained on all the reasons of employees' turnover and this demonstrates that the respondents' answers were reliable

and accurate and demonstrated the extent to which the reasons of employees' turnover in Flint Stone.

In relation to Table 4.9, to what extent respondents would agree that the reason of skilled employee turnover at Flint Stone because of compensation system not satisfactory are 85.1 percent of them believe to the extent of strongly agree and 14.9 percent of them also agree. With regard to factors affecting turnover as indicated in table above, poor compensation system accounts 80.9 percent of the respondents who claimed that poor salary and benefit are the causes of turnover.

In relation to the lack of conducive working condition 74.5 percent of the respondent strongly agree and 25.5 percent of them also the extent of agree. 72.3 percent of the respondents said that Poor working condition also one of the causes of turnover. Improving working environment and conditions considered as one of better mechanisms how to increase employee's stability. On this issue, Flint Stone assigns employees to projects that are nearest to the dwellings of the employee. Transportation service for all employees to project site is arranged and fuel allowance is given for the management level and transportation facilities on fieldwork. On the other hand, cafeteria around the office and at project office is important for meal in the lunch time and for rest., The office layout and issue related to logistics is considered as to improve the working environment.

Lack of leadership and communication system as respondents replied that 23.4 percent of them strongly agree and 51.1 percent of them also to the extent of agree and 25.5 percent of them are in different. With regard to leadership and communication 46.8 percent of the respondents claim that it would be one of the factors that cause turnover. In fact, lack of support, particularly from supervisors decreases employee's ability to cope with their jobs and increases the likelihood that they will quit (Marker, M. 2007). 27.7 percent of the respondent claimed that lack of training would be a cause for turnover. Training is a method used to increase job related employee knowledge. Employees beginning a new job need to be introduced to the job, its duties, and the expectations that will be placed upon them.

Lack of training and development as respondents claimed that 36.2 percent of them to the extent of strongly agree and the majorities 63.8 percent of them to the extent of agree. Training is a

method used to increase job related employee knowledge. Employees beginning a new job need to be introduced to the job, its duties, and the expectations that will be placed upon them.

With regard to job dissatisfaction the majority of the respondents 68.1 percent are in different and 27.7 percent of them are to the extent of disagree. In relation to job dissatisfaction, 19.1 percent of the respondents claimed that it could be a cause of turnover. Much literature also supports the argument. Workers having job discontent leave their current leader additional simply.

In connection with better job opportunity 10.6 percent of the respondents strongly agree that it is the reason for skilled employee turnover 63.8 percent of the respondent to the extent of agree and 25.5 percent of the respondents are in different. This indicates that there is no single factor alone that is contributing to turnover. It is a combination of factors that are contributing to employee turnover.

4.6.14 Consequences of Employee turnover

The study sought to determine on whether skilled employees’ turnover affected Flint Stone Engineering and thus asked the respondents to indicate if the employees’ turnover affected Flint Stone Engineering. The findings are shown as per the respondents

Table 4. 10 -Does Employee turnover affect Flint Stone Engineering

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	43	91.5	91.5	91.5
Valid No	4	8.5	8.5	100.0
Total	47	100.0	100.0	

Source: Primary data

Majority of the respondents around 91.5 percent of them are aware of the consequences of employee turnover will have negative impact on Flint Stone because of skilled employee turnover and 8.5 percent of the respondents did not agree with the case as indicated in table 4.10.

4.6.15 Respondents view on consequences of turnover

Table 4.11- Consequences of skilled Turnover

Consequences of skilled employee turnover	Mean	Standard Deviation	Variance
Increase work load	4.28	.682	.465
Customer Dissatisfaction	3.45	.544	.296
Loss of profit because of late delivery	3.45	.503	.253
Additional cost on Recruiting & Training	3.72	.540	.291
Time overrun	3.47	.512	.261

Source: Primary data

The respondents also share the key informants view and data obtained from document review. As indicated in table 4.11, 40.4 percent of the respondents claimed that burden of work to a very large extent. 46.8 percent of the respondent felt to a large extent. 12.8 percent of them felt moderate.

In relation to customer dissatisfaction majority of the respondent around 57.4 percent agree to the extent of moderate one and 40.4 percent agree to a large extent.

44.7 percent of the respondents said that loss of profit because of late delivery was the negative of effect of employees turn over to large extent and 55.3 percent of the respondent agrees to moderate one.

In relation to additional cost on recruiting and training majority of the respondent around 72.3 percent agree to a large extent.25.5 percent of the respondent said that Flint Stone is incurring costs that are unwanted to the extent of moderate. And 21.3 percent of the respondents also feel that there is time and cost overrun.

44.7 percent of the respondent agrees that skilled employee turnover has an effect on Flint Stone on timely accomplishing projects and 55.3 percent of them to the extent of moderate level.

Time overrun or extension of projects is shown in some of the projects that were completed before. Based on the personal interview with the project manager's at different site they suggested that the skilled employee turnover may have an effect on the performance of the projects in addition to raw material shortage as a result of price rise.

As per the opinion of the project manager's lack of finance, price variation of construction materials and equipment and absence of skilled labour are the major factor caused for schedule delay.

The project managers responded during my interview that delay of project problems are solved by buying high priced materials as a result the profit margin is declined.

As Nicholas and Steyn (2008) Stated that scheduling the work elements is the most important step in planning because it becomes the basis for allocating resources, executing work, tracking project performance, and finishing on time. Accordingly, RealEstate companies that strictly follow scheduling would overcome delay Problem. That is to do all works by schedule.

4.6.16 Possible Solutions of Reducing Employees Turnover

The study asked the respondents to indicate if there were measures employed by Flint Stone to manage skilled employee turnover. The findings were presented as follow:

Table 4. 11 -Measures Employed

	Frequency	Percent	Valid Percent	Cumulative Percent
yes	19	40.4	40.4	40.4
Valid no	28	59.6	59.6	100.0
Total	47	100.0	100.0	

Source: primary data

Table 4.12 shows that 40.4 percent of the respondents felt that the Flint Stone had employed various measures to manage employee turnover however the majority of the respondent around 59.6 percent disagreed with and answered no which showed that Flint Stone should put measures in place to address turnover problems.

4.6.17. Consequences of the Strategies employed in Managing Employees Turnover

The study aimed to find out if the employed employees’ turnover management strategies in Flint Stone Engineering helped in minimizing the rate of employee turnover.

Table 4. 12-Measures help in reducing turnover

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	5	10.6	10.6	10.6
no	42	89.4	89.4	100.0
Total	47	100.0	100.0	

Source: primary data

As shown in the table majority of the respondents around 89.4 percent of the respondents agreed that the employed measures did not help in minimizing the skilled employee turnover.

4.6.18 Extent to which the possible solutions for managing employee turnover.

The study used a likert scale of (1= not at all, 2 = small extent, 3 = moderate extent, 4 = large extent, 5 = very large extent) respondents were asked to indicate the extent to which the following possible solutions for managing employee turnover in Flint Stone. The findings were presented on the following table 20-below

Table 4. 13 - Possible solutions for managing skilled employee Turnover

Possible solutions to reduce skilled employee turnover	Mean	Standard Deviation	Variance
Competitive Remuneration	4.91	.282	.080
Providing training and development	3.72	.540	.291
Employee recognition, expectation, needs	3.74	.642	.412
Participating in Decision making	3.43	.853	.728
Open communication	4.19	.770	.593

Source: primary data

As indicated in the table-4.14, 91.5 percent of the respondents indicated that increasing employee remuneration could be the possible solution for managing employee turnover to a very large extent was the views of the Majority. Moreover, the rest 8.5 percent of the respondent has the belief to increase the remuneration will have an effect on managing employee turnover.

With regard to providing training and development, 63.8 percent of the respondent has agreed to a large extent that will have an effect on managing employee turnover.

In relation to employee recognition, expectation and needs 42.6 percent of the respondent claimed that it will have an effect on managing turnover to a large extent. 38.3 percent of the respondent also to a moderate extent. Only 8.5 percent of the respondent agree with small extent.

With regard to participating in decision making 42.6 percent of the respondent assumed that it will have an effect on reducing turnover to the extent of a moderate one. 29.8 percent to a large extent and 10.6 percent of them to a very large extent. And 17 percent of them assumed to a small extent.

In relation to open communication majority of the respondents 40.4 percent of them agreed that the importance of open communication to a very large extent, and 38.3 percent of them to a large extent and 21.3 to moderate one.

4.7 Discussions

4.7.1 Reasons for skilled employee turnover

The study found out that that high rate of employee's turnover had a challenge since most of the experienced and highly productive staffs were lost and it took a long time before the newly recruited staff could learn the required competencies for executing the project job task functions effectively. The study found out that the major reasons of employees' turnover included; an satisfactory compensation system, lack of conducive work environment, lack of training and development.

The study found out that Flint Stone lacked effective retention strategies for minimizing employees' turnover rates since the reward incentives and bonuses given to employees were not adequate and did not compensate employee work performance. This was noted to lower the level of employees' motivation and hence lead to realization of increased cases of employees' turnover rates. This agreed with findings by Trevor (2004) that organization that lack of adequate

reward incentives and bonuses lowers the level of employees' motivation and influence realization of increased employee turnover rates.

The study found out that low level of employee motivation influenced realization of increased employee turnover rate since lack of recognition of merit and performance during promotion influenced promotion of non-performing employees and this greatly lowered the level of motivation amongst the hard working employees. This concurred with findings by Armstrong, (2003) that failure by the organization management to carry out promotion on basis of performance and merit de-motivates some employees.

4.7.2 Consequences of skilled employee turnover

The study noted that employees' turnover will have negatively impact on projects since Flint stone lacked effective measures for managing the employees' turnover challenges. Among the consequences work load on the remaining employee, recruitment and replacement cost, customer dissatisfaction and loss of profit.

The findings agree with Homer (2007) who states that staff turnover is costly and disruptive. It reduces the outputs and is disruptive as it requires the schedules and programmes to be modified. It causes the organization to lose a lot of money because they have to employ other staff to come and help.

The findings also agree with Namhoon (2009) who argues that when employees leave the company, the employer has to incur a considerable amount of direct and indirect expense. These costs normally include advertising expenses, headhunting fees, resource management expenses, loss of time and efficiency, work imbalance, and employee training and development expenses for new joiners.

The findings also agree with Dubois (2004) who states that organizations that create work environments that attracts, motivate and retain hard working individuals will be better positioned to succeed in a competitive environment that demands quality and cost efficiency.

The findings also agree with Horton (2007) who states that the escalation in the rate of labour turnover is a major concern for businesses and is clearly impacting on organizational performance. High level of stress leads to employees making unnecessary mistakes/accidents and

low morale leads to them not caring about what they do. Staff turnover breaks the team spirit and group cohesion, which is necessary for the successful and smooth running the business.

4.7.3 Strategies to Reduce Employees Turnover:

The study noted that the possible strategies of reducing employees' turnover in Flint Stone included; increasing employee remuneration, offering employee benefits, exposure of employees to career development programs and provision of Better working conditions .

The findings also agree with Robert (2006) who argues that continual training and reinforcement develops a work force that is competent, consistent, competitive, effective and efficient, beginning on the first day of work, providing the individual with the necessary skills to perform their job is important.

Finally the findings agree with Abraham (2009) who found out that employees always flock to companies who offer more benefits. There are many employees who are not aware of the benefits that are provided to them in their compensation package. The employers need to reduce their bureaucratic procedures in order for the employees to receive the best available benefits without any difficulty. They should make a note of what all benefits other similar construction companies are providing, which may attract their current employees. Employees prefer other companies which may provide them with higher posts and increased compensation packages. The companies need to evaluate and modify their promotion policies in a fair way which would enable promotions for candidates only on the basis of employee performance.

Chapter Five:

Summary, Conclusion and Recommendations

5.1 Summary

Based on the analysis and interpretation made in the previous chapter the major findings are summarized as follows

1. Most of the respondents are found to be male, single and had been in Flint Stone formore than a year.
2. Majority of the respondents feel that they are not satisfied with the current salary and benefit package level.
3. Some of the respondents claim t
4. hat they did not receive training to develop their skills. The study noted that as per the opinion of project managers, employees were not getting training to develop skills and this hampered exposure of employees to various career development opportunities like communication skill. The study revealed that employees were not sponsored to short term courses such as team building and seminars, communication skills.
5. Majority of the respondents believe that the cause of turnover is poor salary and benefit package and working condition.
6. Majority of the respondents indicated that the organization was experiencing high cases of employee turnover. The level of employee's turnover was indicated by majority of respondents to be high.
7. Majority of the respondents believe that proper communication system is not laid down between project managers and functional managers. As per the interview made with project managers there were meetings, project performance reporting periodically, in earlier times but now this is not happening.
8. Majority respondents felt that the employed employees' turnover management strategies did not help in minimizing the rate of employee turnovers rates in Flint Stone Engineering.
9. The majority of respondents do not have any information with regard to job performance and promotion

10. Some of the respondents are not satisfied with the way performance evaluation was conducted. As per the interview conducted with some of the project managers they comment that there is no regular and periodic evaluation practice
11. As we can see the manpower strength the trend is somewhat shows declining, like the number of employee by the year 2012 is around 360 where as the number of employee as at December 2017 is 258. At the same time there are a number of projects are being undertaken currently.
12. Majority of respondents indicated that lack of retention strategies causes employee turnover in Flint Stone Engineering. Most respondents felt that employees' turnover affected Flint stone in many aspects like loss of profit, work burden, time overrun, incurring recruitment cost.

5.2 Conclusion

Based on the main findings above, the following conclusion is drawn.

Although, Flint Stone is relied on skilled human resource, the employees' turnover is high. Its manpower strength is declining when compared to five years before.

Majority of the respondents felt that they are not satisfied with the current salary and benefit package.

The study found out that the major causes of employees' turnover included; compensation system not satisfactory, lack of conducive working condition, lack of career development opportunities.

The study found out that Flint Stone lacked effective retention strategies for minimizing employees' turnover rates since the reward incentives and bonuses given to employees were there some years back , but the last few years this trend was not there and inadequate and did not compensate employee work performance. This was noted to lower the level of employees' motivation and hence lead to realization of increased cases of employees' turnover rates. This agreed with findings by Trevor (2004) that organization that lack of adequate reward incentives and bonuses lowers the level of employees' motivation and influence realization of increased employee turnover rates.

The study noted that employees' turnover impacted Flint Stone negatively on incurring cost of recruitment, increase workload on the remaining employee

The findings agree with Homer (2007) who states that staff turnover is costly and disruptive. It reduces the outputs and is disruptive as it requires the schedules and program to be modified.

When employees leave the company, the employer has to incur a considerable amount of direct and indirect expense. These costs normally include advertising expenses, headhunting fees, resource management expenses, loss of time and efficiency, work imbalance, and employee training and development expenses for new joiners

In fact factors that are affecting employees' stability are both external and internal. Lack of recognition and encouragement are important aspects for the performance of an employee. Respondents said that recognition for the accomplishment of projects should be there.

Loss of profit due to late delivery to the customers cost of recruiting and training, and time and cost overruns and workload burden or a combination of two or more of these are observed as the consequence of turnover.

The compensation system and benefit packages of Flint Stone should be revised because most respondents are not satisfied with the current salary and benefit package.

Majority respondents indicated that the organization was experiencing high cases of employee turnover. Majority of respondents indicated that lack of retention strategies causes employee turnover in Flint Stone Engineering. Majority of the respondents felt that employees' turnover affected Flint stone in many aspects like loss of profit, work burden, timeoverrun, incurring additional cost of recruitment.

5.3 Recommendations:

On the basis of the findings derived and conclusions drawn with regard to the skilled manpower turnover in Flint stone Engineering, the following recommendations are made with the hope that implementation would alleviate or reduce the problem identified:

Though individual differences were respected for each employee, more general and logically functional treatment is important. Thus, for this specific case the following points presented.

Efforts made by Human Resource Department to reduce the turn over as well as using the existing professionals should continue. Hence, special attention should be given to human resource development and staff benefits, through revising benefit packages..

It is better if Flint Stone establishes incentive mechanism to encourage employees according to the job performance and project accomplished.

- ❖ It is better if Flint Stone encourages employees to participate in decision making and accepting their constructive views in solving the problem in the operational areas. Even some

project managers comment that visit was not made by top management. This shows that there was lack of communication between project managers and top management.

- ❖ Giving recognition for significant accomplishment
- ❖ There should be proper relationship with project manager and functional managers to make the environment conducive and workable. Some meetings, discussions on the accomplishment of the project should take place.
- ❖ Flint Stone Engineering should promote open communication within the organization in order to promote an amenable environment that allows workers to interact freely and give out their ideas that promote room for growth.
- ❖ Flint Stone Engineering should create partnerships by treating employees as associates in order to improve the level of employee relations.
- ❖ New workers may work on part time basis during their free time to develop a hands-on experience.
- ❖ Human resource manager with the project managers should employ effective employee performance appraisal systems that evaluate employees' performance openly and fairly. It should reveal potential opportunities; define strengths, weaknesses, and employees' career development needs.

Finally, most, if not all, of the practices used to retain employees fundamentally depend on a sound approach to communication with employees. Without effective communication many of the employee retention mechanisms would be difficult to implement. Or it would at last be difficult to implement them with the goal of retaining employees. Therefore the management of Flint Stone Engineering should work on communicating its intentions, strategies and programs and benefits to the employee in an efficient manner.

5.4. Suggestion for further Study

To address the limitations of this research, I recommended that further research can be conducted to investigate employee turnover and retaining mechanism in order to manage skilled employee turnover.

Since this research is only limited to Flint Stone Engineering S.CO. Further research should also be conducted using large sample data to assess the killed employee turnover on Real Estate Construction projects.

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APPENDIX

Questionnaire to be filled by Employees of Flint Stone engineering S.CO.

The questionnaire is prepared by Aman Dino. I am currently a postgraduate student at the Addis Ababa University College of Commerce department of Project Management. The objective of the questionnaire is to collect data on the topic entitled “The Assessment of skilled manpower turnover on Real Estate Construction projects In The Case Of Flint Stone Engineering S.CO”. You are kindly requested to read the questions thoroughly and respond accordingly. The result of this survey will be treated with utmost confidentiality and will be strictly used for academic purpose only.

I thank you in advance for your cooperation.

Instructions:

- You are **not** required to write your name on this questionnaire.
- Please answer question by circling.
- If you have any query you are well come, I am available at Amandn94@gmail.com or

Tel: 0975-346809

A. BACKGROUND INFORMATION

1- Gender

- a) Male b) female

2- Your age Group

- a) Below 25 b) 25 - 30 c) 31-40 d) 40-50 e) Above 50

3- Marital Status

- a) Married b) Single c) other

4- Qualification

- a) Below Grade 10 b) 10+1-10+3(TVET) c) Diploma
d) BA/BSC e) MA/MSc f) PHD

5- Your total work experience

- a) 1 Year- 3 years b) from 3 to 7 years c) from 7 to 10 years d) greater than 10 years

6) Your monthly Income:

- a) Below 2000 birr b) from 2001-8000 birr c) From 8001 -15,000
d) From 15,001-25,000 e) from 25,001-50,000 f) above 50,001

7) Terms of employment

Questions of the Interview made with Human Resource Manager and Project managers at different site of Flint Stone Engineering

Interview with the Human Resource Manager

Interview made with the concerned manager (Human Resource Manager) to assess whether Flint Stone Engineering is aware of about the existence of turnover ,rates , causes and costs of the employee turnover and retention mechanism followed(if any) to reduce the turnover ratio.

Reasons for termination of employment

1. Do you feel that the mobility of skilled employee from Flint Stone Engineering is a serious problem? _____
2. What is your view about the intensity labour turnover? _____

3. Do you make exit interview, when employees resign? _____

4. If yes, why did they leave Flint Stone Engineering? _____

5. If exit interview was not made, what possible reasons can be mentioned for employee resignation? _____
6. Do you feel that there exists equal opportunity for promotion for all employees of Flint Stone? _____
7. How does Flintstone Engineering recognizes employee contribution? _____
8. Do you feel that employees of Flint Stone Engineering earn adequate financial compensation when compared to the market? _____
9. Do you think that there exists smooth relationship between project managers and functional managers? _____

10. How do you characterize communication system between project manager and team members at different project site? _____

Question related to costs of Turnover

1-For recruitment, which media do you use to notify potential candidates for vacancies

- A. Newspaper
- B. Television
- C. Radio
- D. Other

2-What is the estimated average cost of the media used?_____

3-Do you measure the cost of turnover?_____

4-If Yes, what are the items you include in determining the cost of turnover?_____

Question related to Retention Mechanism

1-What retention mechanism FLINT STONE is currently using to reduce labour turnover

- By giving full information to new employees when they are hired about on working condition
- By giving adequate compensation system
- By following more precise selection and placement procedures
- By participating employee in decision making
- By responding to employee recognition, expectation and needs
- Other please specify

2-If Flint Stone Engineering is not currently taking any measures, what mechanism is the planning to take? _____
