



EMPLOYEE RETENTION FACTORS IN CONSTRUCTION COMPANIES OF NEPAL

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ABSTRACT

The primary purpose of the study was to analyze employee retention factors in construction companies of Nepal. This research was based on a quantitative research design. A well-structured questionnaire is designed to study this research. The SPSS Version 25.0 for windows was analyzed the data using descriptive statistics. Data were collected through a random sample technique. Frequencies, mean, and standard deviation are developed to test the research. There are five factors for employee retention; salary, working experience, job performance, training, and development.

KEYWORDS: *Employee, Construction companies, Retention*

INTRODUCTION

Construction companies are the backbone of the country. The smooth work performs by the contractors shows the development of the country. Construction companies of Nepal are involved in hydropower, building, roads. The construction companies' growth indicates the growth of the country. Employees play a vital role in running these construction companies. Retaining the employees is the hottest topic (Wysocki, 1997). To retain skilled and trained employees, they should get a handsome salary. The working environment should be good, job performance should be evaluated, and training and development programs should run from time to time. Retention of skilled employees has been of serious concern to manage in the face of an ever-increasing high rate of employee turnover (Samuel & Chipunja, 2009). Best people in the organization retain by providing training and development to employees for their efficient performance (Khadka, 2009).

LITERATURE REVIEW

A literature review is one of the significant parts of the research. It helps us to support the research. It helps us to analyze the study conducted by others and allows us to keep the research. Skilled and trained employees should be retained. Performance appraisal is a continuous process that improves employees' efficiency from which both organizations and

individuals achieved predetermined goals over some time (Alo, 1999). Performance appraisal should be done to motivate and retain an employee. The work environment is the sum of the interrelationship between the employees and the employers in which employees work (Akinyele, 2010). High experience and education are an integral part of growth, competitiveness, and innovation (Copper, 2006).

RESEARCH PROBLEMS

The major challenge of HRM (Human Resource Management) is to retain skilled, qualified, experienced, and motivate employees to run the organization. The high turnover rate shows the negativity of the organization also recruitment and selection expenses are increased. So, the turnover rate should be decreased. This turnover rate is the central issue faced by the world, including Nepal. To achieve the organization's goal retaining an employee is a must. This study will help to analyze the factors of retention of employees.

PURPOSE OF THE STUDY

The primary purpose of the study is to analyze the employee retention factors in the Construction of Nepal.

RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select,



process, and analyze information about the topic, following scientific investigation principles. Research methods are the techniques and procedures used to obtain data, and research methodology is the theory of how research should be undertaken. Research methodology is a blueprint of research. It explains data gathering, techniques used, and details of data interpretation.

It collects the frame of research design, population and sampling, data collection, and questionnaire preparation. The steps involved in research are

- Formulating and clarifying
- Reviewing
- Designing
- Collecting
- Analyzing
- Writing

POPULATION AND SAMPLING

The population is a collection of all items, similar objects, individuals of interest to our study. N generally denotes it. There are different types of people as finite, infinite, accurate, and hypothetical. Quantitative research is defined as social research that employs empirical methods and empirical statements (Cohen, 1988).

The sample is a subset of the population and is general denoted by n. It is a part of the population selected according to some rules for concluding population characteristics is called a sample. The number of items or objects in a sample is called the sample size. A good sample should be homogeneity, independent, a representative in nature.

COLLECTION AND ANALYSIS OF DATA

Data collection is the process of gathering information about the relevant topic of research. There are two sources of data. The primary data is collected by questionnaire, observation, and interview. The significance of prior information is reliability, control, availability of a wide range of techniques. Some of the limitations of primary data are cost and time. The

second type is secondary data which is collected by an external source. The significance of secondary data is economical, quick, availability.

PREPARATION OF QUESTIONNAIRE

The questionnaire is well structured in Likert Five scale close-ended format as strongly disagree (1), Disagree (2), Undecided (3), Agree (4), and Strongly agree (5). The research covered the following variables; Employee retention, Salary, Working experience, job performance, and training and development. Sample random sampling techniques are used to collect data.

ETHICAL ISSUE

Ethics is one of the more critical factors in research. It makes the boundary for analysis. Ethics are a set of rules. Research ethics provides guidelines for the responsible conduct of research. Research ethics is closely related to the ethical principles of social responsibility.

Good research should always contain honesty, objectivity, carefulness, integrity, communication, respect for intellectual property, confidentiality, openness, responsible mentoring, and social responsibility.

RESULTS AND DISCUSSION

CRONBACH'S ALPHA: RELIABILITY STATISTICS

Lee Cronbach developed Cronbach's alpha in 1951. It measures the reliability or internal consistency of a set of scale or test items. Reliability is one of the factors used to evaluate the quality of research. It indicates how well a method, technique, or test measures something. Reliability is about consistency. It helps to see if multiple question Likert scale surveyor are reliable or not, which is very difficult to measure in real life. It is used under the assumption that various items are measuring the same underlying construct.

Figure 1
Cronbach's alpha Indicator

| Cronbach's alpha | Internal consistency |
|-------------------------|----------------------|
| $\alpha \geq 0.9$ | Excellent |
| $0.9 > \alpha \geq 0.8$ | Good |
| $0.8 > \alpha \geq 0.7$ | Acceptable |
| $0.7 > \alpha \geq 0.6$ | Questionable |
| $0.6 > \alpha \geq 0.5$ | Poor |
| $0.5 > \alpha$ | Unacceptable |

Table 1
Cronbach's alpha test

| Number of Items | Items Dropped | Cronbach's alpha | Internal Consistency |
|-----------------|---------------|------------------|----------------------|
| 10 | 0 | .858 | Good |

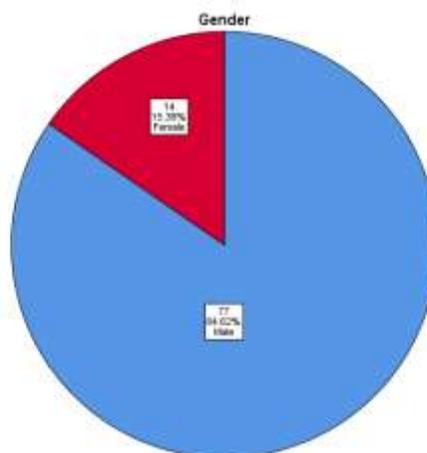
Interpretation

There were ten questions analyze. The results of Cronbach's always show 0.858, which is good in

terms of internal consistency. There is a close relationship between the questionnaires. All the question selected in this research is reliable.

DEMOGRAPHIC ANALYSIS

Figure 2
Gender wise Classification

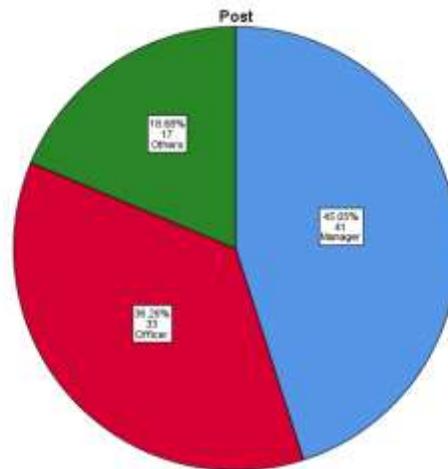


Interpretation

According to gender, the respondents are classified as male and female. 84.62 % of respondents are male,

and only 15.38% of respondents are female. It shows employees in the construction companies of Nepal, the number of male employees is more than that of female.

Figure 3
Post-wise Classification

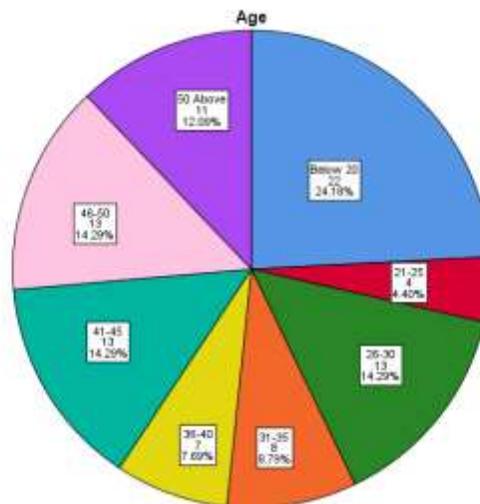


Interpretation

The respondents were classified into three groups: Manager, Officer, and Others (Engineers). In this

research, 45.05 % of the respondent is manager level, 36.26% officer level, and rest 18.68% in other groups.

Figure 4
Age-wise Classification

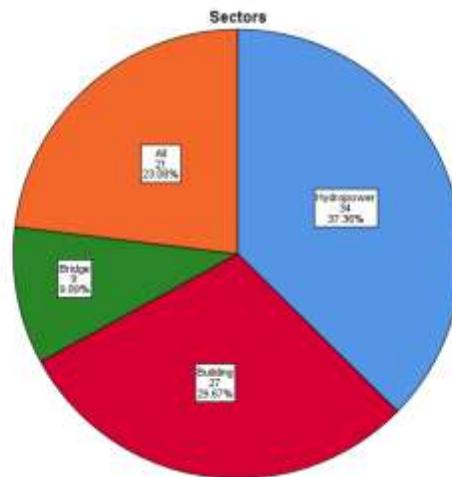


Interpretation

The respondent was classified into different age groups. The respondent were Below 20 (24.18%), 21-25 (4.40%), 26-30 (14.29%), 31-35(8.79%), 36-

40(7.69%), 41-45(14.29%), 45-50(14.29%), and 50 above (12.09%). The maximum number of respondents are of age below 20 and least age between 21-25.

Figure 5
Sector-wise Classification

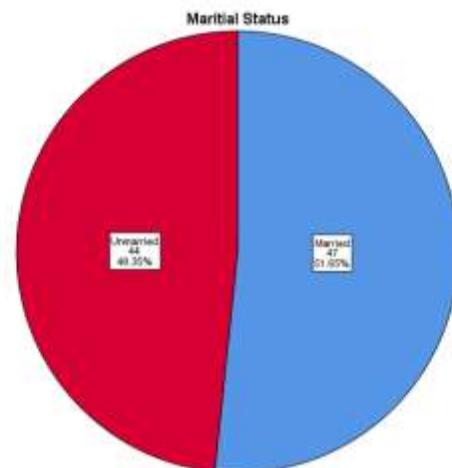


Interpretation

There are different sectors in Construction. The number of employees in hydropower is 37.36%, building 29.67%, bridge 9.89% and in all sectors

23.08%. More respondents are working in hydropower sectors.

Figure 6
Marital status wise Classification



Interpretation

The respondent is classified as married and unmarried in married 51.67% and unmarried 48.35%. It

indicates that respondents are almost similar in both cases.

Table 2
Descriptive statistics

| S.No | Variables | Strongly Disagree (1) | Disagree (2) | Undecided (3) | Agree (4) | Strongly Agree (5) | Mean | S.D |
|------|--|-----------------------|--------------|---------------|------------|--------------------|------|------|
| 1 | You are satisfied with your work. | 20 (22%) | 7 (7.7%) | 10 (11.0%) | 29 (31.9%) | 25 (27.5%) | 3.35 | 1.50 |
| 2 | Work makes the best use of my abilities. | 13 (14.3%) | 12 (13.2%) | 14 (15.4%) | 41 (45.1%) | 11 (12.1%) | 3.27 | 1.25 |



| | | | | | | | | |
|----|--|---------------|---------------|---------------|---------------|---------------|------|------|
| 3 | I receive right amount of salary for my work. | 17 (18.7%) | 15 (16.5%) | 18 (19.8%) | 25 (27.5%) | 16 (17.6%) | 3.08 | 1.37 |
| 4 | I'm being paid fairly in comparison to others. | 10 (11.0%) | 18 (19.8%) | 26 (28.6%) | 26 (28.6%) | 11 (12.6%) | 3.10 | 1.18 |
| 5 | I feel that workplace training opportunities encourage me to work better. | 11 (12.1%) | 9 (9.9%) | 19 (20.9%) | 37 (40.7%) | 15 (16.5%) | 3.39 | 1.22 |
| 6 | I'm happy about the promotion criteria of the employees. | 12 (13.2%) | 22 (24.2%) | 18 (19.8%) | 34 (37.4%) | 5 (5.5%) | 2.97 | 1.17 |
| 7 | My supervisor actively listen to my issues and suggestions. | 13 (14.3%) | 11 (12.1%) | 24 (26.4%) | 29 (31.9%) | 14 (15.4%) | 3.21 | 1.26 |
| 8 | Working hours that allow me enough time with family and time to pursue other strong Interests. | 14 (15.4%) | 18 (19.8%) | 24 (26.4%) | 21 (23.1%) | 14 (15.4%) | 3.03 | 1.29 |
| 9 | Quality of Training provided by company to boost my skill. | 8 (8.8%) | 19 (20%) | 17 (18.7%) | 37 (40.7%) | 10 (11%) | 3.24 | 1.16 |
| 10 | Training by the experienced Trainer. | 16 (17.6%) | 19 (20.9%) | 11 (12.1%) | 32 (35.2%) | 13 (14.3%) | 3.07 | 1.35 |

Interpretation

A 5 point Likert Scale was used to indicate the variables ranged from 1.0-1.49 as Strongly disagree followed by 1.50-2.49 for disagree, 2.50-3.49 for undecided, 3.50-4.49 for agree, and 4.50-5.00 for strongly agree. Employee retention is measured by ten indicators, namely "You are satisfied with your work." with a mean value of 3.35 and SD 1.50, "Work makes the best use of my abilities." with mean value 3.27 and SD 1.25, "Work makes the best use of my abilities." with mean value 3.08 and SD 1.37, "I'm being paid fairly in comparison to others.", with mean value 3.10 and SD 1.18, "I feel that workplace training opportunities encourage me to work better." with mean value 3.39 and SD 1.22, "I'm happy about the promotion criteria of the employees.", with mean value 2.97 and SD 1.17, "My supervisor actively listen to my issues and suggestions," with mean value 3.21 and SD 1.26, "Working hours that allow me enough time with family and time to pursue other strong Interests.", with mean value 3.03 and SD 1.29, "Quality of Training provided by the company to boost my skill.", with mean value 3.24 and SD 1.16, "Training by the

experienced Trainer.", with mean value 3.07 and SD 1.35. The mean and SD of "You are satisfied with your work" indicate more than other indicators.

CONCLUSION

The research conducted was based on a quantitative research design. To get an accurate picture of employee retention factors, mean, frequencies, standard deviation, demographics variables were calculated. The study revealed that:

- The mean value for "You are satisfied with your work." was observed as 3.25 with a standard deviation of 1.50. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "Work makes the best use of my abilities." was observed as 3.27 with a standard deviation of 1.25. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "I receive the right amount



of salary for my work." was observed was 3.08 with a standard deviation of 1.37. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.

- The mean value for "I'm being paid fairly compared to others." was observed was 3.10 with a standard deviation of 1.18. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "I feel that workplace training opportunities encourage me to work better." was observed as 3.39 with a standard deviation of 1.22. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "I'm happy about the promotion criteria of the employees." was observed was 2.97 with a standard deviation of 1.17. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "My supervisor actively listen to my issues and suggestions." was observed was 3.21 with a standard deviation of 1.26. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "Working hours that allow me enough time with family and time to pursue other strong Interests.." was observed was 3.03 with a standard deviation of 1.29. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "Quality of Training provided by the company to boost my skill." was observed as 3.24 with a standard deviation of 1.16. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.
- The mean value for "Training by the experienced Trainer." was observed was 3.07 with a standard deviation of 1.35. It is very close to the range of 2.50-3.49. It means the employees have found undecided in the cement industries of Nepal.

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