

Analysis of Personnel retention Strategies within South African Construction Industry A Case Study Of Gauteng Province

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Abstract

Globally, the retention of skilled workers in the construction industry has been a serious concern to management due to higher turnover of professionals in the construction industry. The desired critical measures for retention strategies of skilled workers need to be done to sustain competition among construction professionals. This paved way for the study to analyze the current retention strategies within the construction industry in South Africa. The study adopted a source technique with the administration of a well-structured questionnaire to active stakeholders and professionals in the construction industry as well as interviewing human resource managers in the Gauteng Province of the South African construction industry. Data for this study was obtained through primary and secondary sources. The primary data collected was achieved through administering a well-structured questionnaire to 100 respondent professionals in the construction industry, in which 75 respondents completed and returned the questionnaires. Data for this study were analyzed by percentage distribution. The questionnaires were administered to active professionals in the construction industry in the Gauteng Province of the South Africa. The findings of the study revealed that the significant retention strategies within the construction industry in South Africa are performance appraisal bonuses, training, also by Construction Education Training Authority (CETA), recognition, good working conditions and competitive salaries in some companies outside South Africa. The study concluded that all the retention strategies need to be improved because they have been found to have a positive and significant effect on organizational performance. The study recommended that stakeholders in the construction industry and management of construction organizations should improve on retention strategies because they have been found by this study to have a positive effect on the organizational performance and by extension, the construction industry.

Keywords

Retention, Training, Strategies, Organizational Performance, Construction Industry.

1. Introduction

Talent management is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. The aim is to secure the flow of talent, bearing in mind that talent is major corporate resource. It is sometimes assumed that talent management is only concerned with key people the high flyers. For example it is aimed at improving the calibre, availability and flexible utilization of exceptionally capable (high potential) employees who can have a disproportionate impact on business performance.' (Smilansky, 2005). Talent management is concerned with the roles people carry out. This involves role development, ensuring that roles provide the responsibility, challenge and autonomy required to create role engagement and

motivation. It also involves taking steps to ensure that people have the opportunity and are given the encouragement to learn and develop their roles. Talent management policies also focus on flexibility giving people the chance to develop their roles by making better and extended use of their talents.

But everyone in an organization has talent, even if some have more talents than others. Talent management processes should not be limited to the favoured few; heroes of corporate performance are the capable, steady performers (deLong and Vijayaraghavan, 2003). Talent management starts with the business strategy and what it signifies in terms of the talented people required by the organization. Ultimately its aim is to develop and maintain a talent pool consisting of a skilled, engaged and committed workforce.

In South Africa, construction is the one of the largest economic activities. Currently, the investment in construction accounts to approximately 83 billion rand (roughly 5.4 billion US dollars) to the South Africa's gross domestic product (GDP) (Statista, 2022). With increasing workload and complexity of projects, the stakeholders of the industry are very conscious of the need to employ skilled personnel. As a result, a number of professionals have started to look outside their company for growth. Retention of professionals is a critical aspect for every organization because they are the most critical asset of today's modern construction industry.

Hiring and retaining efficient professionals are the most difficult tasks. Developing retention strategies for retaining construction professionals has the potential of providing large cost savings to an organization associated with employee turnover. Therefore, this study analyzes the current retention strategies within the construction industry in South Africa.

2. Current retention strategies: Attraction strategies and Employer of choice

The overall strategy of most companies is to become an employer of choice. The recruitment of key individuals who will contribute significantly to the value-creating capacity of the firm is crucial to success. The aims are to establish the brand image of the organization: how others perceive it (employee branding), to become an employer of choice, and to target recruitment and selection to obtain the kind of people the organization needs (Scarborough, 2003).

Employer branding is the creation of a brand image of the organization for prospective employees. It will be influenced by the reputation of the organization as a business or provider of service as well as its reputation as an employer. Employer branding is a concept of applying to the recruitment process the same marketing coherence used in the management of customers (Reed, 2001). The approaches required to develop an employer brand are:

- Analyse what ideal candidates need and want and take this into account in deciding what should be offered and how it should be offered.
- Establish how far the core values of the organization support the creation of an attractive brand and ensure that these are incorporated in the presentation of the brand as long as they are values in use (lived by members of the organization) rather than simply espoused.
- Define the features of the brand on the basis of an examination and review of each of the areas that affect the perceptions of people about the organization as a great place to work- the way people are treated, the provision of a fair deal, opportunities for growth, work life balance, leadership, the quality of management, involvement with colleagues and how and why the organization is successful.
- Benchmark the approaches of other organizations (the *Sunday Times* list of the 100 best companies to work for is useful) to obtain ideas about what can be done to enhance the brand
- Be honest and realistic

Looking at the events around the world, especially, in the international companies, their aim is to become an employer of choice for the most talented and good employees, a place where employees prefer to work. This means developing a value proposition, which communicates what the organization, can offer its employees as a great place to work (Sears, 2003). The factors that contribute to being an employer of choice are the provision of:

- Interesting and rewarding work
- Opportunities for learning, development and career progression.
- A reasonable degree of security
- Enhanced future employability because of the reputation of the organization as one that employs and develops high quality people, as well as the learning opportunities it provides
- Better facilities and scope for knowledge workers, for example, research and development for engineers and IT specialist

- Employment conditions that satisfy work life balance needs
- A reward system that recognizes and values contribution and provides competitive pay and benefits.

All these add up to an employee value proposition which, as a means of attracting and retaining high-potential employees, recognizes that they will be looking for strong values and expecting to be well managed, to have freedom and autonomy, high job challenge and career opportunities. A powerful method of retaining employees is simply to ensure that people feel they are valued.

Employer of choice plans should include plans for attracting good candidates by ensuring that the organization will become an employer of choice. This could be achieved by generally improving the image of the company as an employer (the employer brand) and by offering:

- Better remuneration packages
- More opportunities for learning, development and careers
- Enhanced future employability because of the reputation of the organization as one that employs and develops high-quality people, well as the learning opportunities it provides.
- Employment conditions which address work/life balance issues by, for example, adapting working hours and arrangements and leave policies, and providing child-care facilities or vouchers to meet the needs of those with domestic responsibilities.
- Better facilities and scope for knowledge workers, such as research and development scientists or engineers or IT specialists.
- Golden hellos (sum of money paid upfront to recruits).
- Generous relocation payments

3. Research Methodology

3.1 Sampling and sample population

The population for this study were active stakeholders and construction professionals as well as human resource managers in the Gauteng Province of the South African construction industry. These construction professionals were chosen because, in the pilot study, they indicated knowledgeable contributions to meeting the objective of the study. The standard for selecting respondents for this study was that participants had to be actively involved in the South African construction industry from the Gauteng Province of the country. This study employed self-selection and random sampling which gives all participants an equal chance of being selected for the study. Data for this study was obtained through primary and secondary sources. The primary data collated for this study was achieved through administering of a well-structured questionnaire, which is mostly used for quantitative research (McDaniel and Gate, 2012). The questionnaire was designed based on the review of related literature. Secondary data used in this study was derived from existing literature published in government reports, conference papers and journal articles. As appraised by Kumar (2011), literature review expands the knowledge base of the researcher and helps in integrating the findings with the existing body of knowledge.

This study used closed-ended questions based on literature reviewed. Data for this study was collected with the aid of a well-structured questionnaire to analyze the current retention strategies within the construction industry in South Africa. The respondents were given an average of fifteen minutes to complete the questionnaire without any form of coercion. 75 questionnaires were retrieved from a total of 100 administered. The questionnaires were administered to 21 female and 54 male participants who are actively involved in construction activities in Gauteng Province. It is important to note that these numbers were highly based on the availability, willingness, and consent of the candidates to partake in the study. From the pilot study, there were signs that indigenes of the Gauteng Province are liberal. As such, their cultural, traditional, or religious predispositions did not seem to have posed a barrier or limitation to their willingness to partake in the study nor did it hinder them from freely disclosing their opinions and sharing their knowledge with respect to the subject matter. Nonetheless, the general knowledge base and opinions of the male and female respondents in this study are considered vital as they offer a basis for comparison between respondents, providing crucial insights to the subject matter and indicate pertinent dynamics on the study of the current retention strategies within the construction industry in South Africa through the Gauteng Province.

Data analysis

Data analysis is the process implemented by the researcher to give structure and meaning to the vast amount of data collected (Strydom and Delport, 2002). The handling of information needs to happen creatively and meaning must be

given to the vast amount of information. The study employed descriptive analysis for its data analysis. Descriptive analysis used frequency distribution to measure the significance of all the variables and to rank them. The questionnaire consisted of questions that were ranked using frequency distribution to analyze and acquire the respondents' opinion on the current retention strategies within the South Africa construction industry in the Gauteng Province. This made it possible to determine the rank of each item. The comparison of the frequency distribution of the items as judged by the respondents was easy because the items were ranked. This helped in analyzing data collected from the survey questionnaire. After the mathematical computations were done, the individual criteria were ranked in descending order of their frequency distribution (from the highest to the lowest).

3.3 Results

Table 1 presents the current retention strategies within the construction industry in South Africa, the variables and the respondents' ranking. The study revealed that, with a frequency distribution (FD) of 51, performance appraisal bonuses, training, recognition and competitive salaries in some companies is the current retention strategy perceived by respondents within the construction industry in South Africa.

Table 1: Current retention strategies within the construction industry in South Africa

3. Current retention strategies by respondents	4. Frequency distribution (FD)	5. Percentage (%)
6. Performance appraisal bonuses, training, recognition and competitive salaries in some companies	7. 38	8. 51
9. No retention strategies that I know of	10. 37	11. 49
12. Total	13. 75	14. 100

51% of the respondents felt that the current retention strategies within the construction industry in South Africa are performance appraisal bonuses, training, also by Construction Education Training Authority (CETA), recognition, and competitive salaries in some companies outside South Africa. Some answers that were received from other respondents were good working conditions within the organization, which as a result, assist the organization in improving on its organizational performance. 47% of the respondents felt that they have no answer to give as regards the retention strategies within the construction industry in South Africa as they perceive the South Africa construction industry as being biased because an employee or a professional can only be retained if he or she is related to a stakeholder of the industry or management of the organization.

4. Discussion

With regard to determining the current retention strategies of companies, the following were found to be in place: benefits that the participants emphasized they were given based on the position they hold within the company; followed by competitive salaries that are paid, although not offered by all companies; also depending on how well they know you in the company; and the opportunities for promotions in their career. The strategy supports the construction industry's strategic business objective to be 'a place where people are proud to work and feel supported and valued so that the industry can iron out the problems/barriers and employees feel empowered and own the services they deliver and that diversity is valued'. This strategy operates within the context of a range of associated policies in relation to recruitment, retention, development and discipline. Allowances must be made to any changes required to existing policies or the introduction of new policies to implement this strategy.

Hire the right people in the first place. Quality of the right people is one of the single biggest factors affecting future success in today's business world. The success of the construction industry is very much dependent on the quality of their employees. Employee commitment and ownership and the emotional and psychological attachment to an industry are the qualities that deliver high performance, as employees are prepared to put in an effort and go that extra mile. The construction industry understands that the right people are important and they know what they want.

A sense of direction: people want to know where they are going and where their employer is going. Younger people, for example, young employees are probably more vocal about this, but we all like to know what we are working towards.

Conclusions

This study focused on the current retention strategies within the construction industry in South Africa. The study sought the views of active stakeholders and construction professionals in the Gauteng Province of the South African construction industry. The study revealed that the current retention strategies within the construction industry in South Africa are performance appraisal bonuses, training, also by Construction Education Training Authority (CETA), recognition, and competitive salaries in some companies outside South Africa. The results also indicated that good working conditions within the organization is also a retention strategy, that helps the organization and the industry at large to improve its organizational performance. Based on the findings of the study, the study recommends that management and stakeholders within South Africa construction industry should improve on its retention strategies as it has been found by this study to have a positive effect on the organizational performance. Additionally, the study recommends good treatment of professionals and good working conditions for professionals to enable them deliver good services in their respective duties.

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