

Human Resource Management and Effects of Mentoring on Retention of Employees in the Construction Sector: A Literature Review

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Abstract. The business world has long known and relied upon mentoring as a proven technique for developing in house talent, mentoring is experiencing resurgence because business leaders not only recognize the benefits of transferring knowledge among employees. The purpose of this paper is to examine past theory, research and practice on mentoring through the lens of (HRD), within the construction industry, in order to identify gaps in what is known about mentoring that are relevant to HRD professionals and furthermore the study describes better practices that organizations can use to address the threat of lost knowledge caused by changing workforce demographics. The study adopted a literature review method of data collection, with a special focus on mentoring. The data used in the report was mainly qualitative, based on the content analysis, and historical data. After reviewing core aspect of mentoring central, to all domains of HRD, the authors summarize the key issues that had been studied regarding mentoring and career development, organization development, and training and development. The study also, indicated knowledge transfer assists employees in improving their skill sets which increases their marketability and the potential for them to pursue career opportunities elsewhere. The early success of the initiatives described provide useful lessons for the construction industry and executives who recognize that knowledge retention and mentoring of employees are critical for sustaining future organizational performance, furthermore mentoring relationships may assist organizations in simultaneously promoting effective knowledge transfer and commitment that assist in the retention of key knowledge workers. The authors conclude with a research agenda that identifies where researchers need to go with mentoring research and HRD to better inform the practice of mentoring in organizations.

Keywords: Mentoring and retention · Human resource management · Employees · Construction

1 Introduction

Given current trends in the workplace, within the construction industry, such as placing greater responsibility on employees for managing their own careers, increasing need for continuous learning, and greater reliance on on-the-job development, it seems unlikely that mentoring will wane in significance soon. The role of mentoring in fostering the development of employees is discussed as a component of a number of employee development theories and is noted to be an important means of facilitating learning in our society and in organizations. It is not surprising that mentoring has been recommended as an essential tool for human resource development. The recent publication of several reviews of research on mentoring [1], highlight that our knowledge of mentoring is maturing. Noteworthy advances have been made in understanding the nature, process, and outcomes of mentoring relationships. However, the literature on mentoring is still young [1, 2] many questions about mentoring remain poorly answered or have yet to be thoroughly investigated, within the construction industry. Turnover-related costs examined by the Saratoga Institute represented more than 12% of pre-tax income for the average company. As the rate of turnover increases, so does the cost per employee. For companies with greater than average voluntary attrition, turnover costs were equivalent to nearly 40% of company earnings [3]. While these figures do include the costs to train a new employee, they overlook the value of the organizational knowledge lost when employees leave. That value is difficult to quantify, yet organizational knowledge is fundamental to every company. When employees leave, they take a major competitive advantage with them. Moreover, they will leave. The workforce is poised for change. The confluence of current economic, generational and human influences on the workforce will cause a greater number of employees to shift in and out of jobs, departments and companies, draining organizations of critical skills and knowledge. The increased number of job changes shortens the life cycle of an employee, putting companies at greater risk of organizational knowledge loss. Organizations today face a dilemma regarding the retention of key knowledge workers. Knowledge transfer amongst employees is crucial for organizational productivity. Turnover is a critical human resource issue in all sectors of the economy. Turnover affects productivity, product and service quality, and profitability. The cost of replacing workers is high, finding skilled employees can be difficult, and investments in training are less secure. Unexpected workforce attrition may place employers at a serious disadvantage. Moreover, this turnover could occur when slimmed-down companies have little redundancy in job roles, exposing them to greater risk of losing important organizational knowledge. To minimize the impact of workforce turnover, companies need a proactive strategy for knowledge retention and transfer. Regardless of economic conditions, employee turnover happens. Companies may not have a solid understanding of the reasons employees leave. Saratoga Institute research cited by Leigh Branham indicates another conflict between the employer and employee perspectives: 89% of managers believe employees leave for money; 80–90% of employees leave for reasons other than money. Turnover is tied to employees' unmet needs for trust, hope for the future, a sense of worth and a feeling of competence [4]. Employers cannot address a high turnover rate if they do not understand its root causes. As employees exit, those left behind may not be capable or

willing to take on the additional responsibilities. They may already be overworked, or lack the confidence for a new role. When the only employee who knows how to run a legacy system leaves, coworkers may not want involvement with a technology or role they perceive will soon be obsolete. Companies can lose much more than full-time employees through attrition can. The concept of a more-experienced individual providing knowledge and support to someone who is less experienced has been in existence since Homer wrote his epic poem, *The Odyssey*. Mentoring is considered to be the oldest form of knowledge transfer.

For eras, in agrarian and hunting societies, one was surrounded by many adults who served as occupational role models, i.e., mentors, and the knowledge that was passed down from these mentors benefited both the individual and the collective organization of which one was a portion. The transfer of knowledge and the retention of key knowledge workers, thus, is critical to organizational effectiveness. This requires organizations and researchers to focus more closely on processes such as mentoring that can support effective knowledge transfer and retention of critical knowledge workers. Organizations that rely upon effective knowledge transfer to sustain a competitive advantage face a dilemma. If such organizations do not have processes to promote effective knowledge transfer, productivity will suffer and organizational survival may be exposed.

2 Study Purpose

The purpose of this study is to contribute to a broader understanding of mentoring relationships and their impact on individual and organizational outcomes. Mentoring is an interesting addition to the HRD (Human Resource Development) literature because many of the characteristics of an organization's, traditional approaches to employee human resources cannot be easily changed.

A significant percentage of the workforce, within the construction sector is nearing retirement age over the next ten years. These employees have acquired a tremendous amount of knowledge about how things work, how to get things done and who to go to when problems arise. Losing their expertise and experience could significantly reduce efficiency, resulting in costly mistakes, unexpected quality problems, or significant disruptions in services and/or performance. This study will meaningfully contribute by sharing the wisdom and knowledge of transition to retirement employees to ensure corporate knowledge does not simply walk out the door, sharing the collective wisdom and knowledge of the build environment business.

2.1 Objectives of Study

- To evaluate the effects of mentoring on retention of employees within organizations.
- To identify gaps in what is known about mentoring that are relevant to HRD professionals.
- To examine past theory, research and practice on mentoring through the lens of (HRD).

Human resource management (HRM) concept indicates that employees are resources of the employer. HRM is combination of policies, practices and systems that influence employees' behavior, attitudes, and performance [5]. HRM practice is defined as a tactical and strategic way to attain, develop, manage and motivate and attainment of the commitment of the employees. HRM practice is seen as the available talents and energies of people who are available to an organization as potential contributors to the formation and apprehension of the organization's mission, vision, strategy and goals. There are several studies on human resource management practices influence on employee's retention both locally and internationally. Internationally, [6] piloted a study to investigate the mediating effect of HRM Outcomes (employee retention) on the relationship between HRM practices and organizational performance. Based on the evidence imitative from the literature, the paper concludes that employee retention is likely to interfere in the relationship between HRM practices and organizational performance. Further, [7] piloted a study on whether human resource management practices inspire employees' retention. Human resource management practices organized in the study were training and development, development of teams, performance appraisal, internal communication system, employment security, person-organization fit, employee empowerment and reward and compensation. Four hundred questionnaires were dispersed among the middle management team employees of textile industry. It is explored that four human resource management practices: person-organization fit, employment security, communication and training and development are contributing strongly in developing the employees' intentions to halt with organization. It is concluded that implementation of human resource management practices enriches employees' retain-ability of organizations.

2.2 Literature Review

Mentoring as a form of strategic human resource management is an interesting addition to the HRD literature because it provides a mechanism of change for individual employees, within construction organizations. Having a powerful human resource development (HRD) organization is a worthwhile asset of companies, and an enterprise's efficiency is closely associated to human capital's managerial and developmental systems [8]. Human capitals play an important role in order to success an organization. Employees with high skills and expertise increase their chances of being at the workplace. Thus, successful construction companies and/or organizations will be those that are able to engage, educate, develop and retain highly skilled employees. In order to do so, developing a learning environment within organizations is, therefore important to the future of HRD. The effect of mentoring relationship on retention of employees is that knowledge retention and transfer is an area that holds great potential for companies in terms of reducing the costs associated with turnover, and perhaps more important, in sustaining business performance. Companies are recognizing it as a priority. According to Aberdeen Group, 61% of human resources executives and line of business managers surveyed rated 'capturing and transferring knowledge from those who have it to those who need it' as a top workforce-related challenge [9].

Mentoring relationships in the workplace may assist organizations in talking this dilemma. One aspect of mentoring relationships is the transient of knowledge from a more-experienced individual, i.e., the mentor, to a less-experienced individual, i.e., the protégé. Recent findings from a longitudinal study suggest that mentoring fosters organizational retention in part because the emotional bond established between a mentor and a protégé may contribute to higher levels of organizational commitment [10]. Mentoring relationships may operate, thus, through a dual pathway to influence organizational retention by assisting in the transfer of organizational knowledge while simultaneously developing the high-quality interpersonal relationships that strengthen a protégé's commitment to an organization. Human resource (HR) can create values for an organization by finding ways to improve workforce managements that have a positive impact on performance.

2.3 The Importance of Employee Retention

When a business loses employees, it loses skills, experience and “corporate memory”. The magnitude and nature of these losses is a critical management issue, affecting productivity, profitability, and product and service quality. For employees, high turnover can negatively affect employment relationships, morale and workplace safety. The cost of replacing workers can be high, the problems associated with finding and training new employees can be considerable, and the specific workplace-acquired skills and knowledge people walk away with can take years to replace. The problem of turnover can be spoken through a variety of pro-active retention strategies: workplace policies and practices, which increase employee commitment and loyalty. Knowledge transfer initiatives on the other hand, ensure that the knowledge and expertise of a company's employees its ‘corporate memory’—are systematically and effectively shared among employees. They can offset the negative effects of turnover, but can also work pro-actively to reduce turnover by providing learning and skills development opportunities to employees - factors known to decrease turnover.

2.4 HRD in the Construction Organization

The construction industry has been reflected to be one of the most dynamic and complex industrial environments. It is a project-based industry within which individual projects are usually conventionally built to client specifications. The dynamic environment and changing demands of construction activities required the formation of the teams each time a new project is started with a new client. This is particularly appeared in larger contractor companies, which are focused on managing the construction phases and the processes with a few directly employed construction managers, site agents and professional staff in order to lead the outsource teams. Despite these challenging characteristics of the industry, literature on HRD within large construction organizations is scarce and much of the evidence relies on data gathered over last decades [11].

These parameters, by maintaining employee commitment, subsidize to the employee resourcing strategies and achievement of project goals at a minimum risk.

In addition to the internal factors, several parameters are external to the organization and affecting the way HRD practices are organized. The challenges comprise those that apply to the construction industry, specifically, and those, which apply to all other business sectors.

2.5 The Role of Mentoring in HRD

Mentoring is a process in which one person [mentor] is responsible for overseeing the career and development of another person [mentee] outside the normal manager/subordinate relationship in an organization. A mentor is someone who is alarmed with a person's life's work in a workplace and helps her/him become what that she/he aspires to be through career, education and psychological support. It is mostly used as a "fast-track" support scheme where in the senior members of the organization oversee the activity and performance of the more junior colleagues who have been identified as 'crown princes' kings of tomorrow. For these crown princes, mentoring is used as a holistic HRD intervention to develop diverse attributes and skills among them. But in practice, since the mentor can assume a few of these functions, the process of mentoring may mean quite different things in different settings in a workplace. [12] take a more comprehensive view of the concept of mentoring and say that the mentors are supposed to contribute to the protégé on two dimensions; career building and psychosocial richness. Career building functions include promoting job related skills and behaviours of the mentees, belittling their growth and advancement, and enhancing their outlook as a way to help them grow intrinsically as well as extrinsically along the hierarchy of the organization. Psychosocial richness functions include building behaviors, such as offering acceptance and providing friendship, that enhance the protégé's personal growth, identity and self-worth. Effectiveness of mentoring has been divulged upon the organizations and a growing number of them have implemented formal mentoring programs within organizations, other construction companies do not have formal mentoring programs.

2.6 The Effects of Mentoring on Retention of Employees Within Organization

Mentoring is a type of workplace relationship that may assist in promoting the retention of knowledge and talented knowledge workers. Protégés who reported receiving mentoring were more likely to indicate that they did not have plans to leave their organization to go and work in another organization. Increases in knowledge work in today's dynamic workplace require organizations to focus on the retention of talented and potential employee's. As an outcome of mentoring relationships in workplace settings, retention is of interest in this study because of its importance to organizational performance. For years, management researchers have emphasized the importance of retaining talented employees through research on turnover. If organizations invest in talented employees through increases in their knowledge, the knowledge transferred to these employees is lost if they leave the organization. While recognizing that there will

always be some voluntary turnover in an organization, retention rates should be somewhat high so that experienced workers are available to share their organizational knowledge with newcomers in the organization and to use their expertise to directly benefit their organization. Organizations that have not been concerned with retention in the past, however, are now struggling to keep their skilled employees. In professions heavily dependent upon knowledge transfer such as medicine, engineering, and chemicals manufacturing, the pool of skilled workers is shrinking; thus, there is increased competition for the available workers [13]. Organizations with higher levels of mentoring had lower turnover; moreover, they suggested that the mentoring specifically assisted in developing protégés' knowledge and skills. Based on the above research, one may posit that the knowledge and feedback provided to a protégé by a mentor may influence the protégé's turnover intentions. Yet these studies have not investigated the potentially negative effects of mentoring on retention because of knowledge transfer. The researcher expect that knowledge transfer will mediate the effect of mentoring on organizational retention. The type of knowledge transfer to protégés may influence their intentions to remain within an organization. If a mentor transfers knowledge that is specific to the organization (i.e., organizational practices and relationships), then the protégé will be more likely to remain with the organization because the knowledge cannot be applied elsewhere. Based on the above, the researcher propose that knowledge transfer will mediate the relationship between mentoring and protégés' intentions to remain with their organization.

3 Mentoring Saves Money, Retains Workers, Builds Leadership, and Growth Talent

Mentoring contributes to employee growth and tenure. In the long run, a well-organized and managed program can save the company thousands of rands. **Reduced turnover and recruiting costs.** Mentoring relationships can help retain talented people because they have a stronger commitment to the organization [14]. Talent remains much less likely to leave if they feel supported in their work and made aware, for example, of new opportunities that their mentor suggests. **Assistance in transferring knowledge from the retiring workforce to new workers. Helping employees learn skills and gain knowledge. Assistance in career growth, building leadership capacity, and increasing bench strength.** Mentees can put their learning on a fast track with mentoring. If they are headed toward management, for example, the mentoring may focus on becoming a better leader and manager. Enhanced bench strength in company leadership ensures successful succession planning and increases productivity. Mentoring has this remarkable effect and impact on retention? Some of the mechanisms, which have been documented, include: It points people towards internal rather than external job opportunities. (On average, only one in five employees is likely to look first within their current employer for their next job; of people, who are in mentoring relationships, this proportion rises to nearly five out of five.)

4 Best Practices in Retention and Knowledge Transfer

In order to address the threat of lost knowledge caused by changing workforce demographics. The heart of any knowledge-retention strategy is its knowledge-sharing practices. There are many sorts of methods that contribute to knowledge capture, sharing and re-application: after-action reviews, communities of practice, face-to-face meetings, mentoring programs, expert referral services, training, video conferencing, interviews, written reports, etc. Based on the review of the literature, the list of retention practices that captures the main types of interventions discussed in the HR literature. They are as follows [15]: **Innovative Compensation Systems** and practices can have a positive impact on employee retention by motivating membership-oriented behavior (commitment). Pay systems may also affect knowledge sharing and transfer if sharing, teamwork, suggestions, etc. are rewarded or recognized. Innovative compensation systems include gain sharing, skill-based pay and various types of bonus plans.

Training, Professional Development, and Career Planning are effective ways to enhance employee retention. Training constitutes a visible investment that the company makes in the worker, providing him or her with new skills, and greater competencies and confidence. Training often leads to work that is more intrinsically rewarding. Combined with effective communication about how an employee's efforts at developing skills will lead him or her to more challenging and meaningful positions *within* the company, training encourages workers to make longer-term commitments to their workplace: it permits them to see a future with the company.

Knowledge Transfer – cross training, coaching and mentoring, phased in retirement. While employee retention practices seek to retain *workers*, knowledge transfer practices seek to retain *skills*, through both formal and informal exercises in information sharing and the building of collective knowledge. Mentoring and coaching, phased-in retirements, and cross training and job rotation, are types of knowledge transfer that overlap with training.

4.1 Past Theory, Research and Practice on Mentoring Through the Lens of (HRD)

Four core issues relevant to research and practice on mentoring, regard less of which aspect of HRD one is contemplating, are (1) the definition and measurement of mentoring, (2) the dynamics involved in mentoring relationships, (3) understanding different types of mentoring relationships (e.g., formal vs. informal), and (d) the differentiation of mentoring from other workplace relationships. In a qualitative research of Kram, (1985), she identified two kinds of assistance, mentors provide to their protégés. Career functions directly aid protégés' career advancement and include challenging assignments, coaching, exposure, protection, and sponsorship. Psychosocial functions which include acceptance and confirmation, counseling, friendship, and role modeling, enhance protégés' sense of competence and identity. These mentoring functions have been a noticeable method used by many researchers to define and assess mentoring.

4.2 Gaps in What Is Known About Mentoring that Are Relevant to HRD Professionals

Core Aspects of Mentoring. The kinds of assistance mentors provide (i.e., mentoring functions) are widely used to define and assess mentoring relationships. There are at least two distinctive major mentoring functions:

- career
- psychosocial

Debate continues over:

- Whether there are more distinct mentoring functions.
- The nature of the sub facets comprising the major mentoring functions.
- There are several regularly used measures of mentoring functions.

A small body of research suggests negative mentoring experiences can be described by: Several promising studies suggest additional research on mentor protégé interactions and the evolution of mentoring relationships would be valuable.

Career Development.

- More research on mentoring has focused on career development than on other areas of HRD.
- For protégés, mentoring is associated with small objective career outcomes and small to moderate subjective outcomes.

Organization Development. There has been little attention paid to mentoring outcomes at the organizational level of investigation. Three organizational outcomes of mentoring have been proposed:

- Developing human resources.
- Managing organizational culture and Improving organizational communication.

Debate carry on over:

- Whether there are more distinct mentoring functions.
- The nature of the sub facets comprising the major mentoring functions.
- There are several regularly used measures of mentoring functions.

A small body of research suggests negative mentoring experiences can be described by:

- Several promising studies suggest additional research on mentor protégé interactions and the evolution of mentoring relationships would be respected.

Limited research on formal mentoring suggests:

- It can, but does not always, lead to the same protégé outcomes as informal mentoring.
- Mentoring has not yet been thoroughly eminent from other supportive workplace relationships in the construction industry.

4.3 Conclusion

Retaining organizational knowledge in the face of changing workforce demographics is a complex challenge that requires simultaneously confronting the problems created by an aging workforce, a shrinking talent pool and increasingly restless employees. The threats posed by changing demographics were not created in a year and will not be solved overnight. The most effective knowledge retention strategies will necessitate a multifaceted approach and a long-term commitment on both the leadership of an organization and the employees. It seems that the issue of mentoring and human resource development in construction organizations can generally be considered as a good field of research and vast topics of research can be defined in this regard. In this paper, the authors have reviewed current perspectives on mentoring and HRD and identified directions, gaps for future research, theory, and practice from the perspective of the HRD spheres of career development, organization development, and training and development within construction organizations.

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