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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 a proven technique for developing talent, mentoring is experiencing resurgence because business leaders not only recognize the benefits of transferring knowledge among employees. Organizations today face a challenge regarding the mentoring and retention of key knowledge employees. Few articles on mentoring, retention have appeared in the human resource development (HRD) literature. Changing workforce demographics, more competitive recruiting and faster turnover among young employees are creating unprecedented knowledge retention problems in many industries, threatening to reduce the capacity for innovation, growth and operational efficiency. The article aim to look at the experiences and problems contributing to retention of employees, examines practice on mentoring through the lens of HRD within construction companies. Describes better practices organizations can use to address the threat of lost knowledge caused by changing workforce demographics. Study adopted a literature review method of data collection, with a special focus on mentoring. The data in the report was mainly qualitative, based on content analysis, and historical data. The study indicated knowledge transfer assists employees in improving their skill sets which increases their marketability and potential for them to pursue career opportunities. The study provide useful lessons for the construction industry and stakeholders that knowledge retention and mentoring of employees are critical for sustaining future organizational performance, mentoring relationships assist organizations in promoting effective knowledge transfer and commitment that assist in the retention of key knowledge workers. The authors conclude with an agenda that identifies where researchers need to go with mentoring research and HRD to better inform the practice of mentoring in organizations and understand how mentoring relationships benefit organizations.

Keywords: Mentoring, employees, retention, skill, development.

1. Introduction

Employee retention is becoming a major issue with most employers. Many organizations have not kept up with the changing needs of the workforce causing many good people to leave. Combined with the growing worker shortage, they are unable to fill jobs with qualified people. Employee retention is most critical issue facing corporate leaders as a result of the shortage of skilled labor, economic growth and employee turnover. Many construction employees regardless whether they are skilled or unskilled workers, they move from one company to the next, especially now whereby no employee will stay with an employer for the rest of his or her life, people are being exposed to opportunities that they have never knew that they existed for them in various companies, due to this there is national and global impact for shortfall in talent and retaining employees within their various respective companies. The role of mentoring in fostering the development of employees is discussed as a component of a number of employee development theories.. It is not surprising that mentoring has been recommended as an essential tool for human resource development. Noteworthy advances have been made in understanding the nature, process, and outcomes of mentoring relationships. However, the literature on mentoring is still fairly young [1, 2] many questions about mentoring remain poorly answered or have yet to be thoroughly investigated, within the construction industry.

Mentoring is considered to be the oldest form of knowledge transfer [3]. For centuries, 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 part [4]. The transfer of knowledge and the retention of key knowledge workers, thus, is critical to organizational competitiveness [5, 6, and 7]. If such organizations do not have processes to promote effective knowledge transfer, productivity will suffer and organizational survival may be threatened. Conversely, if organizations do invest in knowledge transfer they risk increasing the marketability and job mobility of their employees which could potentially harm retention [8].

2. Purpose of the study

The purpose of this study is to contribute to a broader understanding of mentoring, mentoring relationships and their impact on individual and organizational outcomes. 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. 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 can't be easily changed. For example, turnover, retention of employees and the selection of processes may be able to slowly change the employee landscape, but they can't change a crucial element of human resources within organizations, the individual employees' characteristics.

2.1. Objectives of study

- To describe better practices that organizations can use to address the threat of lost knowledge.
- To determine the role of mentoring in HRD.
- To evaluate the impact of mentoring on retention of employees within organizations.

3. Literature Review

Mentoring relationships in the workplace may assist organizations in addressing this dilemma. Research in this area suggests that providing skill-building opportunities to protégés is positively related to personal learning in the workplace [9]. Yet, an unintended consequence of knowledge transfer via mentoring is the potential for increased job mobility for protégés and the resulting negative effect on organizational retention efforts [10]. 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 [11]. Mentoring relationships may operate, thus, through a dual pathway to impact 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. 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 connected to human capital's managerial and developmental systems [12].

The relationship an employee has with his/her peers, colleagues and company has a significant impact on knowledge retention and transfer. The effect of mentoring relationship through knowledge transfer 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 [13]. A study by the Institute for Corporate Productivity found that a third of responding companies retain knowledge poorly or not at all when workers leave, while half think they're doing only "okay" at protecting organizational knowledge. Just two in ten think they are doing well or very well in knowledge retention [14]. Manpower's recent survey adds weight to these findings, 31% of employers indicated their organization does not have a proactive process in place to capture employees' job knowledge [15].

4. 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 concerned with a person's life's work in a workplace and helps her/him become what that she/he

aspire to be through career, education and psychological support. [16] says that mentoring is an endeavor to transmit proficiency and expertise from practiced members in an organization to the less experienced. 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. [17] 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, patronizing 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.

4.1. HRD in the construction organization

The construction industry has been considered to be one of the most dynamic and complex industrial environments [18]. It is a project based industry within which individual projects are usually custom built to client specifications [19]. The dynamic environment and changing demands of construction activities required the formation of the teams each time a new project is commenced with a new client. Most importantly, however, the external sources of workforces are very common in the industry [19]. Whilst the increasing use of external sources of labour has allowed the managing contractors to pass on risk and achieve greater flexibility, it has also made employee development and project coordination more complex, with a requirement for more highly skilled and experienced management [19]. 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 [18].

5. The Importance of Worker Retention and Knowledge Transfer

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 addressed 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. Employee retention and knowledge transfer are two elements of a more general concern that might be best termed 'skills management, 'i.e., everything that has to do with recruiting, maintaining and developing the necessary mix and levels of skill required to achieve organizational and business objectives [19].

5.1. Retention

As an outcome of mentoring relationships in workplace settings, retention is of interest in this study because of its importance to organizational performance. For decades, 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, and the investment made to them. 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. Thus, in the knowledge economy, it is important to look at issues of retention; Traditional research has focused on the influence of job satisfaction on voluntary turnover [20].

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. Knowledge workers are increasingly more important for organizational competitiveness today, so the knowledge transfer between employees and the retention of key employees is critically important. 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 [6]. 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.

6. 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. While many of these practices are helpful for creating a general knowledge, sharing environment, the question remains which ones are most useful for addressing knowledge-retention problems? 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 [19]:

- **Competitive and Fair Compensation** is a fundamental starting point in most strategies to attract and retain employees. However, there is general agreement that compensation levels do not single-handedly guarantee employee retention. Common benchmark and position wage and salary structures to be fair and competitive.
- **Adequate and Flexible Benefits** can demonstrate to employees that a company is supportive and fair, and there is evidence to suggest that benefits are at the top of the list of reasons why employees choose to stay with their employer or to join the company in the first place. Many companies are responding to the increasingly diverse needs of their employees by introducing a greater element of choice in the range of benefits from which their workers can choose. Flexibility in benefits packages can enhance retention, as it creates responsiveness to the specific needs and circumstances of individual employees.
- **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. All of the companies we interviewed were very active in the area of skills training and professional development. Many have put in place effective internal promotion programs that allow even their unskilled and semi-skilled workforce to move towards positions of greater responsibility and remuneration within 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

7. The impact of mentoring on retention of employees within organizations

Though viewed as a key aspect of mentoring [3], knowledge transfer has been primarily examined at the interfirm level [21], at the interdepartmental level [22], and at the team level [23]. [24] suggest that much research on knowledge transfer has a more macro focus, examining the transfer of knowledge between and within organizations. Knowledge management articles highlight knowledge transfer as a key mechanism for organizational success, yet a gap exists between practice [25] and formal research [26, 24].

7.1. *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 [27]. 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.** Many mentoring relationships help younger employees learn from those who will retire soon. Pairing junior staff with more senior staff can reinvigorate the enthusiasm of senior employees as they transfer crucial knowledge to the next generation of workers. This reduces the loss of the tacit knowledge from seasoned veterans leaving the workforce.
- **Helping employees learn skills and gain knowledge.** Mentoring is an excellent example of informal learning, which is the way people learn 80% of the time in the business world [28]. A mentoring program reduces training costs due to the mentor/mentee informal learning relationship, which often deals with content one-on-one that otherwise would be covered in a formal course. It also brings new employees up to speed quickly in those first few months of employment.

8. Conclusions

Retaining good employees is critical to a firm's long term success. And in the engineering and construction markets, employee retention is especially serious since the job market is tight and competition is fierce for top candidates. Companies simply cannot afford to ignore employee retention. 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 most effective knowledge retention strategies will require a multifaceted approach and a long-term commitment on both the leadership of an organization and the employees. In this paper, the authors have reviewed current perspectives on mentoring and HRD. Because knowledge is a key resource today, a more systematic understanding of how knowledge is shared and transferred in organizations is needed in order for organizations to be able to better manage it. Organizations must understand the types of processes that facilitate effective knowledge transfer between individual employees, while simultaneously retaining knowledge in the organization so it can benefit the organization and employees.

Attention must also be given to understanding the mentoring behavior's that foster a protégé's affective commitment so as to mitigate the potentially negative effect of knowledge transfer on retention. The provision of mentoring functions to protégés in an organization may assist an organization in meeting two critical goals for ongoing effectiveness: knowledge sharing and retention. 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.

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