EMPLOYEE RETENTION AT GIA THY CONSTRUCTION CORPORATION, VIETNAM

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Agenda

- Introduction
- Literature review
- Methodology
- Data analysis
- Conclusion

GIA THY

Introduction

GIA THY

Head Office: Gia Thy Building

No: 158 – 158A Dao Duy Anh Street, Ward 9, Phu Nhuan District, HCM City.
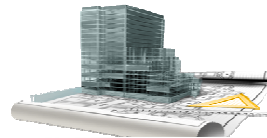
Work Phone: +84-28-38458301

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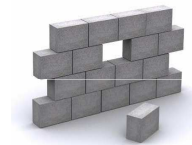*Website*: www.giathyco.com

Mail: support@giathyco.com.vn

❑ **Business line**

○ **CONSTRUCTION**

○ **FINANCIAL INVESMENT**

○ **PRODUCING CONSTRUCTION MATERIALS**

○ **REAL ESTATE**

❑ **Description**

- Gia thy Construction corporation was founded in 2003, full times employees: 450
- Company modal: 4 subsidiaries and 6 associates.
- Industry: Construction

Introduction

Introduction

Research Background

01

1. Increasing workforce demand.
2. The important role of employees by law.
3. High turnover rate.
4. Fast growing of Gia thy

Problem Statements

02

1. Shortage of right employee
2. Awareness of competitive Advantage
3. Fail in retention plan
4. Lack of retention knowledge in place

Research Questions

03

1. What are the possible factors that influence employee retention at Gia thy construction corporation?
2. Do these factors positively impact employee retention at Gia thy Construction Corporation?
3. What recommendation can be made to improve retention at Gia thy Construction Corporation?

Research Objectives

04

1. To find out the relationship between Rewards & recognition and Employee retention.

2. To investigate the relationship between Training & development and Employee retention.

3. To determine the relationship between Working environment and Employee retention.

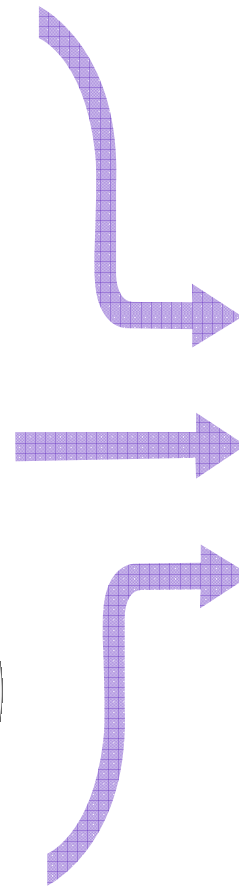4. To explore the relationship between Coworker relationships and Employee retention

General Question: How to improve Employee Retention at Gia Thy Construction Corporation, Vietnam?
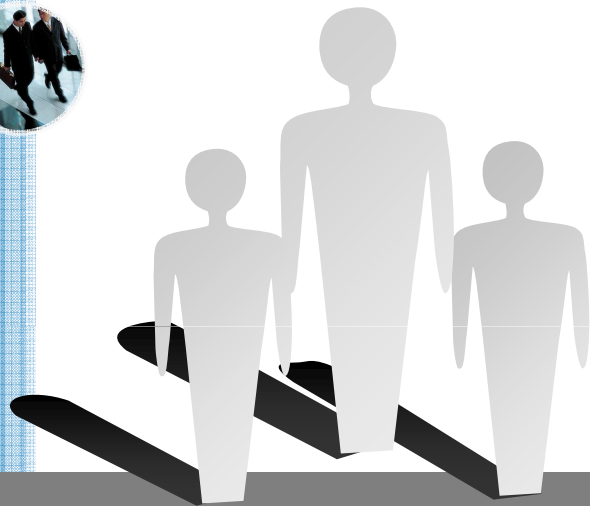
Literature Review

Research

Theory

Foreign research

Vietnamese research

Theory: Abraham Maslow's theory

Data Sources

Analysis Strategy
Quantitative analysis with descriptive analysis, regression, analysis of variance

Study Area

Gia thy Construction Corporation, Vietnam

Sample size

285

Respondents

26% College, 56,4% Graduate, 16% Post- Graduate

Data Collection Method

Mailing, Online google form Questionnaire

Theoretical Framework
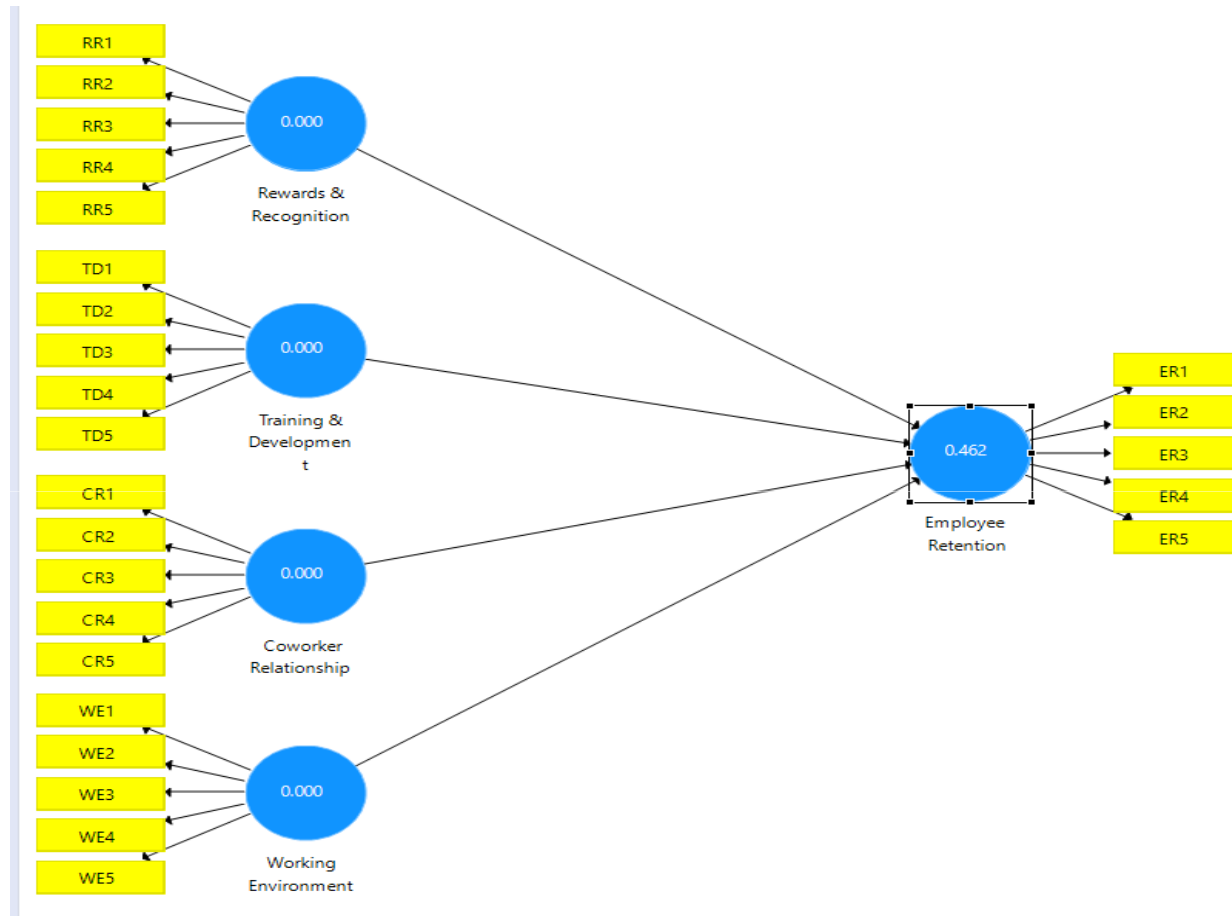
H1: There is a relationship between rewards and recognition and employee retention.
H2: There is a relationship between training & development and employee retention.
H3: There is a relationship between the working environment and employee retention.
H4: There is a relationship between co-worker relationships and employee retention.

Demographic Profile

No.			Frequency	Percent (%)
1	Gender	Male	143	50.2
		Female	142	49.8
2	Age	<30	151	53
		30-40	88	30.9
		41-50	35	12.3
		>50	11	3.9
3	Years of work	<5 years	136	47.7
		5-10 years	102	35.8
		>10 year	47	16.5
4	Monthly Income	<5 million VND	30	10.5
		5-15 million VND	199	69.8
		> 15 million VND	56	19.6
5	Education level	College	74	26
		Graduation	155	54.4
		Post graduation	56	19.6
		Total	285	100

Outer Loading, Construct Reliability and Validity

Factor loadings ranging from above 0.767 to 0.916 → satisfactorily.
All CA and CR extracted values for the required five factors > 0.7 → significant.
- All AVE extracted values for the required five factors > 0.5 → significant.

No.	Construct	Item	Mean	Outer Loadings	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average Variance Extracted (AVE)
1	Coworker Relationship	CR1	3.58	0.786	0.860	0.899	0.641
		CR2	3.67	0.804			
		CR3	3.60	0.781			
		CR4	3.98	0.767			
		CR5	3.68	0.862			
2	Rewards & Recognition	RR1	3.24	0.829	0.911	0.934	0.738
		RR2	3.61	0.897			
		RR3	3.61	0.861			
		RR4	3.17	0.803			
		RR5	3.40	0.901			
3	Training & Development	TD1	3.41	0.910	0.923	0.942	0.765
		TD2	3.19	0.851			
		TD3	3.26	0.883			
		TD4	3.65	0.810			
		TD5	3.36	0.916			
4	Working Environment	WE1	3.45	0.858	0.924	0.943	0.768
		WE2	3.47	0.881			
		WE3	3.58	0.865			
		WE4	3.74	0.864			
		WE5	3.56	0.914			
5	Employee Retention	ER1	3.44	0.846	0.922	0.941	0.762
		ER2	3.15	0.876			
		ER3	3.21	0.833			
		ER4	3.28	0.894			
		ER5	3.29	0.914			

HTMT, R2, f2, VIF

Discriminant Validity - Heterotrait-Monotrait Ratio (HTMT)

	Coworker Relationship	Employee Retention	Rewards & Recognition	Training & Development	Working Environment
Coworker Relationship					
Employee Retention	0.549				
Rewards & Recognition	0.242	0.609			
Training & Development	0.442	0.689	0.397		
Working Environment	0.397	0.668	0.343	0.488	

The convergent validity was evaluated using the HTMT ratio correlations which require that AVE for each construct must be greater than 0.50. To achieve discriminant validity, each construct's squared AVE must be greater than the correlation involving the construct. All HTMT values < 0.9 → discriminant

Predictive Accuracy (R2), Collinearity Statistics (VIF) and Effect Size (f2)

No.	Construct	VIF	f Square	R Square Adjusted
1	Coworker Relationship	1.248	0.085	
2	Rewards & Recognition	1.196	0.228	
3	Training & Development	1.460	0.192	
4	Working Environment	1.361	0.208	
5	Employee Retention			0.652

- R2 = 65.2% of the variation in Employee Retention suggesting that the structural model provided an adequate explanation.
- f2 value of Rewards & Recognition, Training & Development, Working Environment are 0.228, 0.208 and 0.192 > 0.15 → moderate influence; f2 value of Coworker Relationship < 0.15 → low influence.
- VIF value of all variables in the model < 3 → no multicollinearity

Hypotheses Result

No.	Path Coefficients	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Results
1	Coworker Relationship→ Employee Retention	0.191	0.038	5.071	0.000	**Supported**
2	Rewards & Recognition → Employee Retention	**0.306**	0.037	8.329	0.000	**Supported**
3	Training & Development → Employee Retention	**0.310**	0.049	6.375	0.000	**Supported**
4	Working Environment → Employee Retention	**0.312**	0.036	8.617	0.000	**Supported**

- P = 0.000<0.01 → four hypotheses are fully supported. All constructs are significantly related to Employee Retention.
- Variable Working Environment has the highest significant and positive relationship (B=0.312, T=8.617) with Employee Retention. Training & Development (B=0.310, T=6.375), Rewards & Recognition (B=0.306, T=8.329), and Coworker Relationship (B=0.191, T=5.071), respectively, have a significant positive relationship with Employee Retention.

Structural Model
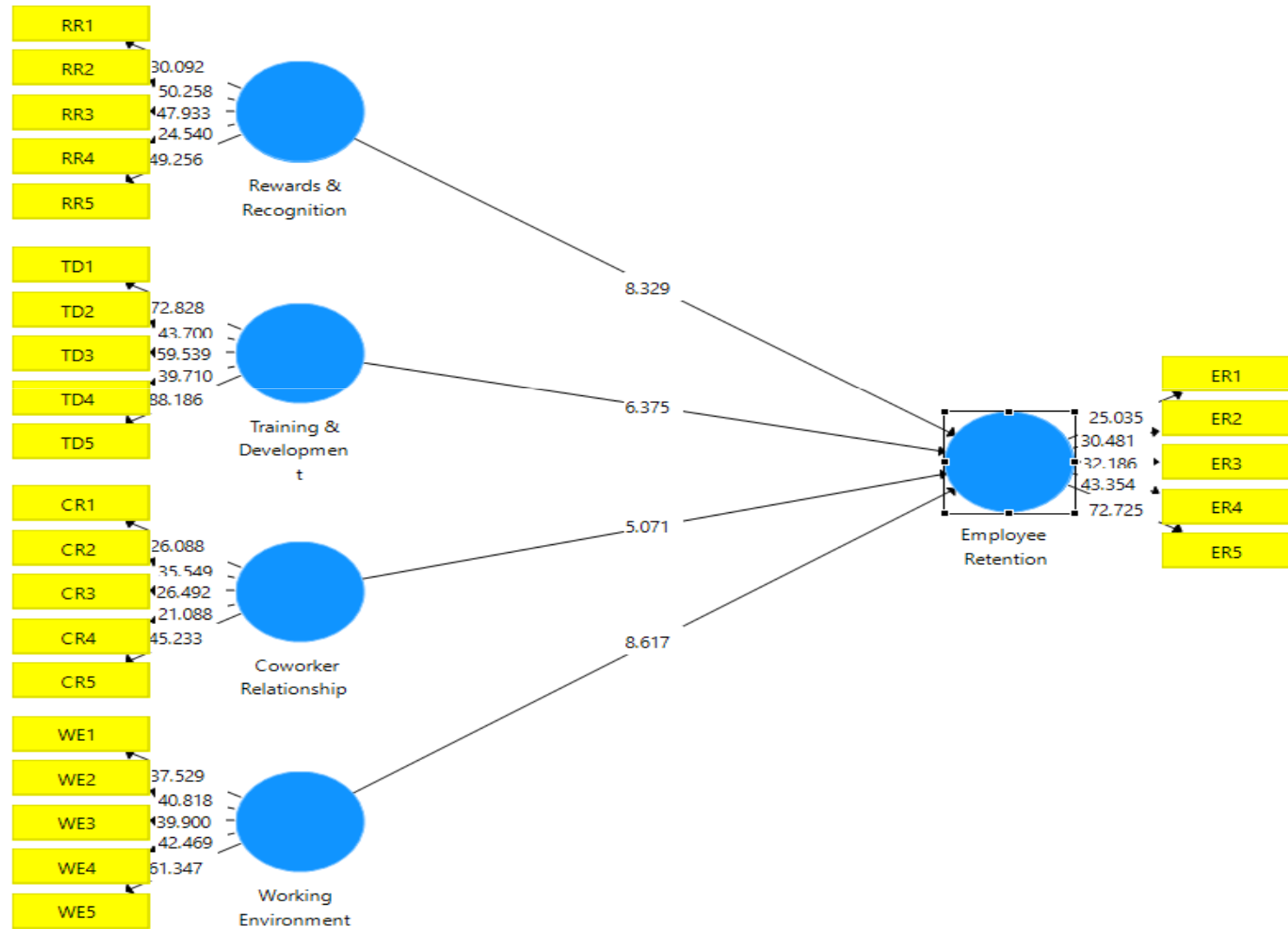
Conclusion

Model

The Retention model is supported in the context of Gia thy construction corporation.

Supported

Conclusion

Addressed

Research Questions

Research questions are addressed through the results of the data analyzed.

Reached

Research Objectives

Research objectives are reached.

Thank you!

Conclusion

Findings

- Four factors: reward and recognition, training and development, working environment, and co-worker relationship, were identified to influence employee retention at Gia Thy Construction Corporation significantly
- Research objectives have been met successfully
- Working environment, training and development, rewards, and recognition have the most significant influence

Implication for practice

- Employee retention is critical for having a stable workforce, controlling inconsistently changing cost
- Retention is the commitment from both Organization and employees
- Well-implemented led to a period of sustainable development of the company.
- The findings are certainly significant to develop Vietnam's intention Strategies in the construction industry

Implication for theory

- This thesis reinforces the theoretical background that was presented in previous sections.
- The model is meaningful for contributing to future research literature.
- This study has added to the body of knowledge and literature

Conclusion

Limitations
- The scope of this research is limited to only Gia Thy Construction Corporation.
- Data from respondents can be changed over time. No other way of data collection and no other methods of Analysis has been done either.
- External factors such as Government policies in tax, salary, and education… aren't concerned yet

Future researches
The limitations and strengths of this research can offer guidelines for future research efforts in this or related topics.

Literature

Employee Retention	Reward and recognition	• **Define as pay, bonus, promotion.. (Cameron and Pierce, 2001)** • **Lack of recognition is one of the retention risk factors (Branham & Hirschfield, 2010).** • **The key factors impacting employee retention in organizations (Irshad, 2011).**
❑ Definition: Keep on doing business with a particular company (Zineldin, 2000), Remain competent employees on an ongoing basis (Stauss et al., 2001), Efforts of organizations to minimize voluntary resignation (Mengel, 2001). ❑ Managing employee retention ensures a competitive advantage in the business field (Walker, 2001).	Training& Development	• Up-to-date knowledge for survival (Handy, 2008), equipped with the latest technologies (Tomlinson, 2002). • Increases employee commitment and retention (Deery, 2008), • Extrinsic motivation factors affecting employee retention (Shakeel and Butt, 2015)
	Working environment	• Work conditions, flexibility, and available resources (Osteraker,1999) • Encourage employees' commitment and stay (Ramlall, 2003). • Essential factor in employee retention (Zeytinoglu et al., 2005) • Positively influence employee retention according Abrams et al., 2008; Christiaensen et al., 2009; Kyndt et al., 2009; . .
	Co-worker relationship	• Work together in the same workplace, or hold similar positions (Yoon & Thye, 2000) • Positive experiences of co-worker relationships lead to job satisfaction and increase retention (Hurlbert, 1991).

Hypotheses Summary

√ **Supported**

▷ There is a relationship between training & development and employee retention

√ **Supported**

▷ There is a relationship between rewards and recognition and employee retention.

√ **Supported**

▷ There is a relationship between working environment and employee retention.

√ **Supported**

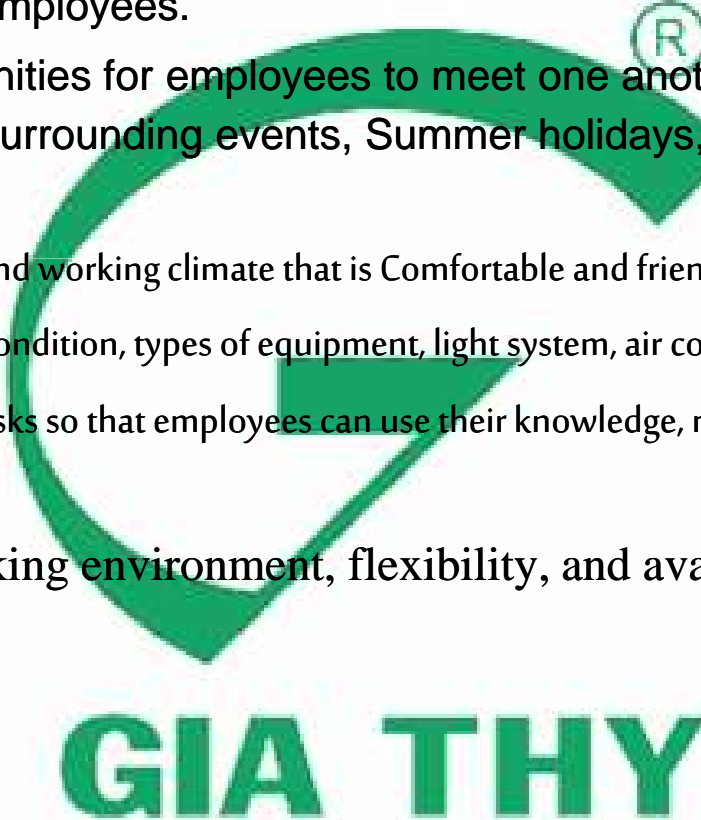▷ There is a relationship between co-worker relationship and employee retention.

IMPROVEMENT

WORKING ENVIRONMENT

◈ Improve and upgrade Gia thy communication system to enhance mutual feedback between Leaders and Employees, managers and Employees, and Employees and Employees.

◈ Organize opportunities for employees to meet one another, such as the Tet ceremony, ritual surrounding events, Summer holidays, and New year Parties…

◈ Create a Learning and working climate that is Comfortable and friendly

◈ Improve the working condition, types of equipment, light system, air conditioners…

◈ Create flexible work tasks so that employees can use their knowledge, monitor the results of their efforts

◈ Create a fun working environment, flexibility, and availability of resources.

GIA THY

IMPROVEMENT

TRAINING & DEVELOPMENT

◈ Build an annual Training & development program to modify and supply Employee skills of work, productivity, efficiency, …

◈ Review and improve appraising criteria of employee working abilities frequently.

◈ Organize tests skills of employees in work to discover employee deficiencies which are topics for the Training & development plan

◈ Build an annual financial Plan for the Training & development program

◈ Pay for core professionals to participate in the MBA courses, building master courses, or other long-term courses

◈ Establish plans for human development, designate humans will be in the new position

◈ Build appraising criteria for evaluation and promotion physically, clearly

IMPROVEMENT

REWARD & RECOGNITION -1

◈ Review and improve evaluation systems of employees working in fulfillment, effectiveness, and efficiency.

◈ Review and improve KPI scales in work to balancing between employee and organizational needs

◈ Review and improve reward policies consisting of a salary system, benefits system, promotion, and incentives to increase employees' satisfaction and motivation levels.

◈ Review and improve insurance policies yearly for personnel, such as health insurance, social insurance, accident insurance, medical insurance…

◈ Review and improve retirement program (pension fund...), and compensation on leave (military leave, sick leave…)

◈ Build up recognition systems to annually congratulate employees who get better results than expected.

IMPROVEMENT

REWARD & RECOGNITION – 2

❖ Promote improvement campaigns of quality, time, and efficiency to raise employee motivation

❖ Make sure competitive pay for employees compared to market standard. Propose policies that improve employees' official incomes, such as wages for overtime work, rewards for earlier fulfillment, rewards for solving the company's troubles, and bonuses for exceeding yearly revenue targets, …

❖ Make remuneration policies clear and fair

❖ Build salary increase policies annually.

❖ Implement policies about the company's shares to Employees. They will be preferred stock shares, ordinary shares, right to buy company shares periodically.

IMPROVEMENT

CO-WORKER RELATIONSHIPS

◈ Improve and upgrade Gia thy communication system to enhance mutual feedback between Leaders and Employees and between Employees and Employees.

◈ Training courses on Organizational Culture, Positive thinking...in order to promote Trust, Respect, and Glory between Leader - Employee, Employee - Employee.

◈ Organize opportunities for employees to meet one another, such as the Tet ceremony, ritual surrounding events, Summer holidays, and New year Parties.