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Employee Turnover of Quantity Surveying Firms in Malaysia

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Abstract. Employees are important stakeholders in any firm. There is a trend of a high employee turnover rate in many firms in the construction industry. However, there is lack of emphasis on the reasons of employee turnover especially in the quantity surveying (QS) firms in Malaysia. The purpose of this paper is to examine the factors that contribute to turnover and its impact to the quantity surveying consultant firms. The data was collected by distributing survey questionnaires to employees of QS firms to obtain their views on the subject matter. From the analysis, the factors that caused employee turnover were established. Three quarters of respondents replied that their firms are experiencing staff turnover and the most significant impact to the firms is that they are losing their experienced quantity surveyors. In addition, QS staffs are dissatisfied to their current salary and this factor causes them to seek for a higher pay in other firms or places.

1. Introduction

In Malaysia, the Ministry of Human Resources in their Labour and Human Resources Statistics (2012) showed that the retrenchment of labour in construction industry increased significantly from 169 in year 2011 to 1002 in year 2012. A survey done by Aon Hewitt in 2015, Malaysia recorded the second highest involuntary turnover rate at 6.0% and the third highest voluntary turnover rate at 9.5% in South East Asia. There was also a downward trend of average salary increase from 6.4% to 6.2% from 2015 to 2016 (projection) in the construction or engineering industry (HR in Asia, 2015). In 2017, the average turnover rate was at 20% which was considered high and the involuntary turnover still represented 6% in overall (Institute of Labour Market Information and Analysis (ILMIA), 2018). Furthermore, about 8% out of total 645 employees in the land and quantity surveying professional services industry was the outsourced professionals (ILMIA, 2018).

According to Dias (2012), there are two types of turnovers; voluntary turnover and involuntary turnover. Voluntary turnover is initiated by the employee for many different reasons and it can be predicted and addressed in human resources. As for involuntary turnover, it is where the employees have no choice in their termination such as an employer-initiated due to non-performance of an employee. According to the survey by the Randstad (2011) from year 2011 to 2012, it reported that 55% of construction players have been working with their current employer for only less than two years, yet 85% of them plan to leave their job in the next 12 months. Many consultants will choose to change their working environment after having tried working in the construction industry due to the workload and longer working hours (Wong et.al, 2010). Kokkaew (2012) described that due to the diverse, complex and risky nature of the construction industry, there are less young people that are attracted to enter the construction industry, thus, contributing to the lack of skilled workers problem.



Furthermore, the shortage of professionals in construction industry will also lead to employee turnover in construction industry (Hee and Ling, 2011). Phillips & Connell (2003) mentioned that “in almost all segments of the economy, economic expansions translate directly into new jobs, which in turn create new opportunities for employees to leave current employment”. Therefore, the economic growth also partially contributes to employee turnover.

Construction team players opt to leave their current job due to several reasons, such as no increment of salary, being dissatisfied with their working environment, corporate politics issues, etc. (Bilau et al., 2015). According to the Staff (2014), it is insisted that poor relationship with the boss is the primary key for the staff to quit their firm in the construction industry. Beswick et al. (2007) found that 87 out of 1732 people involved in UK’s construction industry experience stress, depression, or anxiety, which they believed was caused by their job. Majority of them disclosed that one of the most stressful aspects of work is having too much work to do in one time due to tight deadlines and powerless authority to choose or change the order of tasks and method of working, causing them to work longer hours. Furthermore, it is common for an individual to handle two to three projects at a time in the construction industry. Due to this heavy workload, some of them may opt to convert to another firm with a more flexible offer (Leung et al., 2005). In addition, the job scopes of construction players are dangerous or risky as they need to juggle between the projects – going to construction sites, supervising work, be present for meetings, and valuing work done (Beswick et al., 2007). Danso (2012) discovered that individuals working in the construction sector in Ghana are significantly dissatisfied with their work benefits such as payment of allowances or bonuses besides salary and additional annual leaves.

Staff turnover in the construction industry will delay the period of completion, affect project quality, incur client dissatisfaction, and arise profit issue (Cooper, 2004). To reduce the intention of turnover, employers or the human resource managers have to find out the solutions so that the turnover rate in a company can be reduced (Dainty and Loosemore, 2012). Staw, Bell and Clausen (1986) insisted that the manager and the organization have to focus on employee’s satisfiers and dissatisfiers in order to help to retain the key people in an organization (as cited in Arokiasamy, 2013).

Despite of many literature from previous studies, the findings replete in general about employee turnover. However, there is lack of emphasis on the reasons of employee turnover in the quantity surveying (QS) firms in Malaysia. Therefore, this study will fill a gap by identifying the reasons of employee turnover in the QS firms. Every organization wishes to have high productivity, few turnovers, and more profit. Managing turnover successfully is a must to achieve these goals. Thus, it is very important to find out what the reasons are that contribute to employee turnover in consultant firms so that managers or the organization can establish solutions to overcome this issue.

2. Research Method

This study is based on the quantitative approach where the questionnaire survey is used to measure objectively the causes and impact of employee turnover to QS firms. The questions were designed based on the information gathered from the literature review. The design of the questionnaire is set to get the answers from the registered quantity surveyors who are working in the QS consultant firms. They are the important sources as they can provide the information and are related to the real issues of this research. The population is obtained from the Board of Quantity Surveyors Malaysia (BQSM) website, which is the official website to get information about the QS in Malaysia. There are 364 QS consultant firms in Malaysia. However, the BQSM website does not classify whether the registered quantity surveyor is working as a consultant quantity surveyor or a contractor’s quantity surveyor. Hence, the scope of study area has been reduced to focus on only the state of Selangor, and the list of QS consultant firms which was amounted to 120 was retrieved from the BQSM website. The researchers have called the firms to enquire the number of registered quantity surveyors working in

their respective firms. It has been established that there are 254 consultant registered quantity surveyors working in the consultant firms in Selangor.

3. Results

Out of the total 254 questionnaires sent out, the response rate received was only 55 or 21.65%. Based on the data gathered, 31% of the respondents work in the industry for more than 21 years and above, 22% of the respondents have worked for 11-15 years, and followed by 19% of respondents who have worked for 16-20 years. Whereas 16% of the respondents have worked less than 5 years and the remaining 12% was held by the respondents who have worked for 6-10 years. Therefore, we can conclude that 70% of the respondents are working more than 11 years, making them more experienced than others as they have already experienced and witnessed how the employee turnover affect their working life. Hence, their answers are more relevant and useful for this research.

78.13% of the respondents claim that their company is facing the employee turnover and 44% of respondents indicated that there are 3-4 QS staff who will leave their company in a year. 41% of the respondents claimed that there are 1-2 QS staff who will quit the firm and 9% of respondents claimed that 5-6 QS staff will leave their company in a year. There is also 6% of the respondents who agreed that 7 and more QS staffs are leaving in a year. It can be deduced that most of the QS firms are experiencing a scenario that a few staff are leaving their firm every year. The data also shows that 56% of the respondents indicated that they would stay in a company for average 1-5 years. 22% of the respondents reported that they would stay in a company for around 6-10 years. There are 16% of the respondents who insisted that they will stay in a company for more than 10 years and above. However, there are 6% of the respondents replied that they will not stay in a company for more than a year. We can conclude that in few year times, the quantity surveyors are more inclined to change their working environment and choose to work at other company.

Table 1 shows the respondents' level of satisfaction in their firm. The respondents show a good satisfaction with their working environment and job. Employees that are working under their preferred working environment will increase their work commitment and lessen complaints and absenteeism. The data in Table 1 shows a significant attitude of the employees against the organizational commitment and the boss or the team leader. The result shows that this segment of employees is at the borderline of their satisfaction and they can leave the job with any minor encouragement received from the other employers. As expected, most of the respondents are not satisfied with their salary and employee benefits, thus, making them rank lower as compared to other variables.

Table 1: QS's level of satisfaction

Item	Level of QS's Satisfaction	Mean	Rank
1	Working Environment	3.78	1
2	Job	3.72	2
3	Organizational Commitment	3.41	3
4	Boss or Team Leader	3.41	3
5	Salary	3.28	5
6	Employee Benefit	3.25	6

Table 2 shows the significant factors which contribute to the employees' decision to quit their current company or construction industry. It illustrates that higher pay from other companies is the most significant factor that the quantity surveyors consider in deciding whether they want to quit their

current company. Due to the economic factor and money value, it is very common for workers to switch to a higher paid job since the work scope is the same. The salary and level of remuneration are the most important factors to motivate the workers to stay in their company. Alternative job opportunity means the quantity surveyors do not only work in consultant firms, they also have other options to choose either to work with developers or contractors or become academicians. Therefore, there are many job opportunities they can choose if they get bored with their current job and this will benefit most to the experienced quantity surveyors who will easily find a new job. Thus, alternative job opportunity is ranked as the second important factor beside the salary that they will get paid.

Table 2: Causes of employee turnover of QS consultant firms

Item	Reasons of Employee Turnover	Mean	Rank
1	Higher pay from other companies	3.83	1
2	Alternative job opportunity	3.75	2
3	Current working environment	3.05	3
4	Heavy workload and stressful life	3.03	4
5	Better employee benefits from other companies	2.85	5
6	New company is able to provide you challenges so you can achieve more goals in the working life	2.83	6
7	Your spouse is transferred to another state	1.70	7
8	Chances to practice religious beliefs	1.46	8

Even though the current working environment is not ranked among the most significant causes, the quantity surveyors will start to think to find a preferred working environment if they work under unpleasant working environment in addition to staying at office for 8-9 hours during working days. Hence, bad working environment will affect their mental and physical conditions. Besides salary, employee benefits are perceived as a reward to comfort the employees. The workers are most likely to stay in the company if they find out that the company could provide better employee benefits compared to other companies. In the construction industry, the quantity surveyors have a considerable amount of workload and stress. Hence, if the company can provide staff benefits, such as insurance, ex gratia payment or yearly bonus and company trips, this will be the pull factor to retain their staff. Some people will seek to obtain their working life goal but this does not apply to all. Some employees want more challenging works and make a significant contribution to the firm. If they find that they are not fond of their current job and repeating their daily work life at the same pace, they are more likely to look for another job. However, some employees will choose to quit if they are facing new challenges and eventually not coping well with them. For example, there are senior quantity surveyors who do not know how to utilize the measurement software and this will ultimately cause them to voluntarily change their job scope, in which software application is not a requirement in their duties. The factors, such as dedicating themselves in their marital status, having the spouse transferred to other places, and chances to practice religious beliefs are not the significant causes of quitting the current job. If the staff cannot cope with family and job commitment at the same time, changing job is likely to happen.

It was found out that the loss of experienced QS staff has the most significant impact to the company (refer to Table 3). This is due to the fact that experienced quantity surveyors are very hard to find in the industry and the company spends longer time to train a freshly graduated QS to become an experienced quantity surveyor. Moreover, the experienced quantity surveyors are able to handle few projects at the same time. If they quit the company, their on hand works will be transferred to the staff that still remain in the company. Hence, the second highest impact is workload increase to the existing staff. The boss or the team leader will assign another quantity surveyor or new staff to take over the

projects. Overwork will bring serious impacts such as error in cost estimation which will result in reduction of the efficiency and productivity of the firm. This is due to the person who take over the work is still new to the project. Hence, he/she may make mistakes which will affect the productivity of the works. The employee turnover incurs some costs in the replacement, recruitment, and selection of staff. If there is high employee turnover, the company will need to make advertisements in order to recruit new employees. Besides, the employees who remain in the company will claim for overtime pay in order to finish the additional workload. Hence, most respondents highly agreed that employee turnover incurred additional cost.

Table 3: Impact of employee turnover to the QS firms

Rank	Impacts	Average Index
1	Loss of experienced QS staff	4.28
2	Increasing workload of other staff who stayed in the firm	4.16
3	The efficiency and productivity of the firm is reduced	4.03
4	Incurred cost in the replacement, recruitment, and selection of staff	3.91

4. Conclusion

In a nutshell, a company which is experiencing employee turnover will face the most serious effect, i.e. they are losing their experienced employee. An experienced employee needs time and cost to train. When a senior quantity surveyor resigns, the employer will have to incur cost in reemployment, assign a new or inexperienced staff to take over, and acknowledge to other parties of the project especially the client and contractor. If the client always receives the notice of frequent exchange of QS consultant, this will cause them lose their confidence towards the firm. Hence, the significant impact of losing an experienced quantity surveyor can be a serious damage to the QS consultant firm and bring other impacts as well.

In order to reduce the employee turnover in the QS firms, it is suggested that the company should provide bonus and motivating rewards to retain the staff. Providing employee benefits, such as vacation, medical insurance, and retirement plans are necessary to cater the needs of the workers. Monetary benefits such as an increase of salary can retain the staff as they are satisfied with their wages, who are likely to remain with the organizations. Improving working environment will help the staffs to maintain their commitment and sense of belonging to their company. Providing training to the QS staff also can reduce the turnover rate as well. Implementation of Building Information Modelling (BIM) software can reduce the workload of QS staff and improve the efficiency of works. Hence, if the staff have the chances to learn new skills, they would like to stay in the current company and contribute their expertise. Lastly, allowing the staff's involvement in the decision making can effectively reduce the turnover rate.

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