

A Study on Workforce Development and Retention Strategies in the Construction Industry in Sri Lanka

J. Baashim Ahamed, S.N. Malkanthi, P.D. Dharmaratne and G.H. Galabada

Abstract: This research aims to examine how workforce development and retention strategies influence the efficiency and effectiveness of construction projects in Sri Lanka, with a view to identifying practical interventions for reducing turnover and enhancing workforce stability. A mixed-methods approach was employed, combining qualitative interviews and quantitative surveys targeting construction professionals and labourers from construction companies who have registration from CS2 to C3 grades at the Construction Industry and Development Authority (CIDA). The collected data were analyzed using the RII method and statistical tools in SPSS to rank factors affecting workforce turnover, development, and retention. Reliability tests ensured data consistency. The study identified significant factors impacting workforce turnover, such as inadequate wages, unsatisfactory working conditions, and limited career development opportunities. Strategies to address these challenges include offering structured training programs, improving working conditions, and enhancing recognition and reward systems. Correlations between workforce perspectives and professionals' insights highlighted the need for collaborative approaches to address industry-wide issues. The research emphasizes the importance of adopting innovative workforce strategies to foster a skilled and motivated construction workforce. Recommendations include policy-level interventions, improved training programs, and industry collaborations to ensure long-term workforce stability. These findings aim to contribute to the sustainable development of the construction industry in Sri Lanka by improving workforce productivity and reducing turnover rates.

Keywords: Construction, Development, Retention, Turnover, Workforce

1. Introduction

The construction industry in Sri Lanka plays a significant role in the country's economic development. However, the sector faces challenges related to workforce development and retention. Therefore, it is essential to reassess and enhance workforce strategies for continued growth and efficiency. A skilled and motivated workforce is crucial for successful construction projects. Effective workforce development and retention strategies can help attract, develop, and retain a skilled workforce, leading to better project outcomes, such as higher productivity, lower turnover rates, and sustainable development.


Economic downturns can significantly impact workforce retention in the construction industry [1], [2]. Construction workers face difficulties during periods of economic uncertainty, such as job insecurity and reduced job opportunities [3]. This highlights the need for effective workforce management strategies, even as the economic crisis lessens.

The construction industry in Sri Lanka is not immune to challenges such as low wages, less


training opportunities, long working hours, and higher foreign opportunities, with the sector grappling with job insecurity and a reliance on temporary employment [4]. However, the industry can grow and thrive by implementing effective retention strategies that stabilize the workforce. Creating stable work environments and providing career development

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opportunities are key to improving workforce retention [1], [5]. This research aims to address the labour shortage in Sri Lanka's construction industry by proposing evidence-based strategies for workforce development and retention. To fulfill this aim, the following objectives were addressed.

- To identify the factors affecting workforce turnover in the construction industry in Sri Lanka.
- To evaluate the efficiency of the current workforce development and retention strategies in Sri Lanka's construction industry.
- To develop specific strategies to reduce workforce turnover and promote workforce development and retention in Sri Lanka's construction industry.

2. Literature Review

The construction industry is one of Sri Lanka's critical economic sectors, contributing around 8-10% to the nation's Gross Domestic Product (GDP) and creating thousands of jobs annually [6]. The industry has evolved significantly since Sri Lanka's independence in 1948, with growth driven by both government and private sector investments in infrastructure. Post-2009, following the end of the civil war, there was a surge in construction activities, particularly in tourism, housing, and commercial projects [7]. Between 2010 and 2018, the sector grew at a compound annual growth rate (CAGR) of 7.3% [7]. However, in 2019, the industry faced a downturn due to political instability, natural disasters, and economic difficulties [6]. Despite these challenges, the construction sector remains integral to Sri Lanka's ongoing development, with significant demand for skilled labours and an evolving project landscape.

2.1 Skill Shortage and Importance of Workforce in the Construction Industry in Sri Lanka

The workforce in the construction industry is essential to its success, and the sector is currently grappling with a severe skills shortage. National policy documents identify this shortage as a critical barrier, noting that demand for skilled workers in specialized trades such as electrical, mechanical, and plumbing often exceeds supply [8]. This highlights the structural imbalance between labour supply and industry requirements, which this study seeks to address. According to a report by TVEC the annual skill labour demand is about 118,251, while the intake capacity of training institutions is only 37,830,

indicating the deficit is substantial [9]. For specific trades such as masonry, demand is about 46,676, but capacity is just 2,758. This suggests only around 8% of demand is being met, which is far less than expected, underscoring the urgency of developing sustainable strategies to bridge the skills gap. This challenge is further compounded by high turnover rates, particularly among skilled workers, which significantly increase recruitment, selection, and training costs [10]. Such findings emphasize how retention issues intensify the skills shortage, making retention strategies a key research priority. In addition, the lack of sufficiently skilled labour contributes to project delays, higher costs, and reduced productivity, thereby undermining the overall competitiveness and sustainability of the construction industry [11]. These insights from prior studies collectively demonstrate the pressing need for effective workforce development and retention strategies, which form the central focus of this research.

2.2 Factors Affecting Workforce Turnover

The construction industry in Sri Lanka experiences high workforce turnover, with several factors contributing to this issue. The statement regarding the impact of poor working conditions on workforce turnover in the construction sector is supported by empirical research. According to research done by [12], long working hours, unsafe workplaces, and low wages were identified as significant factors influencing employee attrition in construction projects, providing authoritative backing for this claim. Workers are often exposed to hazardous conditions, including excessive noise, dust, vibration, and physical strain, which negatively affect their health and well-being. These factors, combined with low pay, lead to burnout, stress, and high attrition rates. Another major factor affecting turnover is the lack of structured career development opportunities within the construction industry. Workers often find themselves stuck in low-skilled roles without clear pathways for career advancement [13]. The stress at the workplace is compounded by long hours, working weekends, and the pressure to meet client expectations, leading to burnout and turnover [14]. Many workers feel undervalued due to the absence of promotions, rewards, or acknowledgment for completing projects on time or meeting quality standards. This lack of appreciation can demotivate workers and lead them to seek opportunities elsewhere [15].

2.3 Government and Private Sector Roles in Development Practices: A Sri Lankan and Global Perspective

2.3.1 Government Interventions and Policy Measures

The Sri Lankan government has introduced various initiatives to address workforce development and retention challenges. Some of these initiatives include introducing compulsory technical training programs for all entrants to the construction industry and establishing vocational training institutions such as Technical Colleges and Centres of Excellence. Despite these efforts, challenges such as ineffective implementation, inadequate funding, and insufficient monitoring have hindered the successful execution of these programs [16].

2.3.2 Private Sector Initiatives

Recognizing the importance of workforce development, the private sector in Sri Lanka has taken proactive steps. Large construction companies have initiated in-house training programs to upskill their employees and bridge the skills gap [5]. National Construction Association of Sri Lanka (NCASL) established the Advanced Construction Training Academy (ACTA) as its training arm and, through it collaborated with the Ministry of Youth Affairs & Skills Development to launch the University College of Construction Technology (UCCT), providing NVQ level certifications up to level 7. Additionally, Maga Engineering partnered with the Ministry of Skills Development and Vocational Training to deliver NVQ Level 3 certification programs for construction craftsmen under the Employment-Linked Training Programme initiative.

2.3.3 Global Best Practices

Several countries have successfully implemented workforce development and retention strategies that can serve as models for Sri Lanka. In India, for instance, modern construction methods have been adopted to reduce construction time and improve productivity [17]. Similarly, China emphasizes job autonomy, skill variety, and task significance to enhance worker well-being and retention [18]. In UK, the use of Modern Methods of Construction (MMC) and Design for Manufacture and Assembly (DFMA) has helped reduce dependency on manual labourer and improve efficiency.

Other countries, such as New Zealand and South Africa, have also made strides in improving

workforce retention by offering competitive salaries, flexible work arrangements, and career development opportunities [19], [20]. These practices have contributed to a more stable and skilled workforce, and their adoption in Sri Lanka could significantly improve workforce development.

While international studies have highlighted common challenges in workforce retention within the construction sector, it is important to situate this research within the Sri Lankan context. The Sri Lankan construction industry has long faced difficulties in maintaining a skilled workforce due to labour migration, limited professional development opportunities, and relatively low wages compared to foreign markets [21], [22]. Studies such as [23] and [24] reveal that turnover intentions among construction professionals in Sri Lanka are strongly influenced by job satisfaction, stressors, and organizational commitment. Recent conference contributions [25] and government policy documents (National Policy on Construction, CIDA) emphasize the urgent need for structured workforce development and retention strategies to ensure industry sustainability. These Sri Lanka-specific findings highlight the necessity of targeted interventions and provide a stronger foundation for the present study.

3. Methodology

This study explores strategies for developing and retaining the workforce in Sri Lanka's construction industry. Insights from the literature review and workforce challenges identified through feedback from industry experts supported the preparation of the questionnaire to collect data.

In the context of this study, the term *labour* is used inclusively to represent the entire construction workforce in Sri Lanka, comprising skilled, semi-skilled, and unskilled categories. Skilled labour refers to trades such as masons, carpenters, electricians, and plumbers, who require formal training and experience. Semi-skilled workers include those who support skilled trades, often with limited training but with some degree of technical ability. Unskilled labourers typically undertake general site work such as material handling, excavation, and basic assistance. Due to the importance of all these three groups, this considers the perspectives and experiences of the full spectrum of the construction labour force.



A mixed-method approach was employed to gather comprehensive data. Qualitative data were collected through interviews with construction workers and professionals, providing deep insights into the challenges faced by the workforce. These interviews allowed to finalize the factors contributing the workforce development and retention. Quantitative data were collected using a structured questionnaire survey, which was distributed to a broader group of construction professionals and workforce. The quantitative survey provided statistical evidence of the workforce's challenges, offering a broader view of the issues in the industry.

3.1 Data Collection Methods

The study targeted CIDA-registered construction companies within the CS2 to C3 categories in the building construction sector. These companies were selected because of their substantial presence and influence in the industry, ensuring that the results would be applicable to large-scale construction projects.

A preliminary survey was carried out to refine the questionnaire. The questionnaires were distributed using two primary methods:

- In-person interviews: These were conducted with construction labourers, allowing for deeper insights into the workers' experiences and challenges. This approach helped capture rich, qualitative data directly from those working on-site.
- Google Forms: Used to reach a broader group of construction professionals across various regions, helping to ensure diverse participation from across the country.

As of now, there are over 2,500 construction contractors registered with CIDA, according to official documentation [26]. Out of that, small-scale contractors (grades C7-C9) reflect that there is a significant number, more than 2,000 in those lower grades [27]. However, there is no exact number of contractors registered under the grades CS2 to C3. Assuming 500 contractors for those grades, the sample size was calculated using Equations 1 and 2.

$$n_0 = \frac{z^2 pq}{e^2} \quad \dots (1)$$

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} \quad \dots (2)$$

where,

n_0 = Sample size

n = Adjusted sample size

z = 1.96 (95% confidence level)

$p = 0.5$ (maximum variability),

Hence, $q = 0.5$ ($1-p$), $e = 0.1$ (10% of error margin),

$$n_0 = \frac{1.96^2 * 0.5 * 0.5}{0.1^2} = 96.04$$

$N = 500$ (Population), then,

$$n = \frac{96}{1 + \frac{(96 - 1)}{500}} = 81$$

A total of 81 responses were targeted from construction professionals. However, 100 responses were achieved. Therefore, 100 responses from labourers were also collected. This approach ensured that both workers and professionals were adequately represented, providing a complete view of the workforce issues. Data were collected across all 9 provinces of Sri Lanka, focusing on CS2-C3 ranked construction companies in the building sector.

3.2 Research Questionnaire

Two separate questionnaires were used to collect data from construction labourers and professionals. Each questionnaire consists of four sections. Section 1 is used to collect demographic factors of the respondents, Section 2 is used to collect influencing factors for workforce turnover, Section 3 is used to collect data for workforce development strategies and Section 4 is used to collect data for workforce retention strategies.

3.3 Data Analysis

The data collected were analyzed using quantitative methods to provide a comprehensive understanding of workforce development and retention.

The perceptions of the respondents were measured using Likert scale-based questions. Hence, the following measures were used in the questionnaire. 1=Strongly Disagree, 2=Disagree, 3=Neither Agree nor Disagree, 4=Agree, and 5=Strongly Agree. The collected data were entered into MS Office Excel software. SPSS version 23 statistical software was used for data analysis. Descriptive statistics, Reliability analysis and Spearman's rank correlation analysis were carried out to identify the factors affecting workforce development and retention. The Relative Importance Index (RII) was used to assess the significance of different factors and to rank and prioritize factors based on respondents' perceptions. The RII is computed using Equation 3.

$$RII = \frac{1}{N} \sum_{i=1}^5 a_i n_i \quad \dots (3)$$

where,

RII = Relative Importance Index

a_i = i^{th} question/sub-factor response value (1 to 5 range)

n_i = Number of responses for each question/sub-factor

N = Total number of responses

Furthermore, SPSS (Statistical Package for the Social Sciences) software was used for advanced analysis of the collected data. First, the reliability of the data was tested using Cronbach's Alpha. Reliability statistics are essential in research as they help ensure the internal consistency of the variables. Spearman's correlation was employed to examine whether there are similarities or differences in the perceptions of construction professionals and labourers. Since the data were ordinal (from Likert-scale responses), Spearman's correlation was appropriate for identifying the strength and direction of relationships between the two groups' views. This allowed the study not only to rank the critical workforce factors but also to determine

the extent to which professionals and labourers share common perspectives or hold divergent opinions.

4. Results and Discussion

The data were gathered using two methods: (i) a Google Form survey targeting construction professionals and (ii) site visits and interviews with labourers. A total of 200 responses were collected, 100 from construction professionals and 100 from labourers, ensuring a comprehensive view of the workforce dynamics.

4.1 Overview

To facilitate data analysis, all variables in Sections 2, 3, and 4 of the questionnaires were labelled with simplified terms (Table 1). These variables were identified using literature studies and experts' feedback. The initial data were organized in MS Excel, followed by statistical analysis using SPSS software version 23, employing the Relative Importance Index (RII) to rank the perceived significance of identified factors.

Table 1- Variables in Data Collection Questionnaire

| Workforce Turnover Affecting Factors (B) | Workforce Development Strategies (C) |
|---|--|
| Low wages and benefits compared to other industries (B1) [15] | Offer training and development programs for employees (C1) [13] |
| Unsatisfactory working conditions (B2) [28] | Mentorship and training opportunities for professional growth (C2) [13], [29] |
| Long working hours (B3) [12] | Focusing on engagement and job satisfaction (C3) [15] |
| Lack of job security (B4) | Welcome workers from diverse backgrounds (C4) [20] |
| Insufficient training and development programmes (B5) [13] | Simplify the hiring process to get the right people (C5) |
| Availability of higher foreign employment opportunities (B6) | Use modern technology and innovations to increase productivity (C6) [17], [30] |
| Workforce Retention Strategies (D) | |
| Allowing employees to set their own schedule (D1) | Providing opportunities for employees to work flexibly (D6) [19], [20] |
| Establishing a family-friendly workplace and a work-life balance at work (D2) | Creating a positive and supportive work environment (D7) [18] |
| Providing opportunities for continuous learning and development (D3) [31] | Creating opportunities to recognize and celebrate employee achievements (D8) |
| Encouraging open communication and feedback between employees and management (D4) | Encouraging teamwork and collaboration among employees (D9) |
| Offering competitive compensation and benefits packages (D5) | Providing medical support and resources for employees (D10) |



4.2 Reliability Analysis

In this study, Cronbach's Alpha is used to measure internal consistency of the variable, aiming for a reliability coefficient of at least 0.61[32]. Reliability analyses were carried out using SPSS for three key areas: Section-2 (Workforce turnover factors), Section-3 (Workforce development strategies), and Section-4 (Proposed workforce retention strategies), ensuring the selected variables in these sections have consistency and reliability across these areas. Table 2 shows the criteria and threshold values for Cronbach's Alpha.

Table 2-Cronbach's Alpha Interpretation [32]

| Cronbach Alpha Value | Interpretation |
|----------------------|---------------------|
| 0.91-1.00 | Excellent |
| 0.81-0.90 | Good |
| 0.71-0.80 | Good and Acceptable |
| 0.61-0.70 | Acceptable |
| 0.01-0.60 | Non-Acceptable |

Reliability analysis was conducted for both the workforce and professionals. The test results are shown in Table 3 below.

Table 3-Reliability Test Results for Labourers and Professionals

| | Cronbach's Alpha Value | |
|-----------|------------------------|--------------|
| | Workforce | Professional |
| Section-2 | 0.728 | 0.624 |
| Section-3 | 0.743 | 0.826 |
| Section-4 | 0.656 | 0.874 |

The minimum Cronbach's Alpha value obtained for the workforce was 0.656, and for the professionals, it was 0.624. Both values exceed the acceptable threshold of 0.61, indicating that all factors of each section have consistency. This confirms the internal consistency of the scales used in this research study.

4.3 Descriptive Analysis

Descriptive statistics showed that, out of the 100 labourers, 29% of the workers reported that they had received work-related training, while 71% had not. This suggests a gap in formal training programs and highlights the need for more structured training opportunities.

Among the 100 professionals surveyed, 43% identified as Consultants, 39% as Contractors, and 18% as Clients, indicating the significant roles of consultants and contractors in CS2-C3 ranked companies. Regarding professional

designations, Project Engineers made up the largest group at 45%, followed by Project Managers (21%). Other roles included Quantity Surveyors (14%), Architects (5%), and Technical Officers (2%), with 13% of respondents in various other roles, such as Senior Lecturer, Managing Director, and Assistant Project Manager.

4.4 Relative Importance Index (RII) Analysis

4.4.1 RII Analysis for Workforce Turnover Affecting Factors

Six key factors were identified from Labourers and Professionals viewpoints, significantly impact workforce turnover. To evaluate the significance of these factors, RII method was used, which allows us to rank the factors according to their importance. The identified six factors are shown in Table 1 and the calculated RII values are represented in Figure 1.

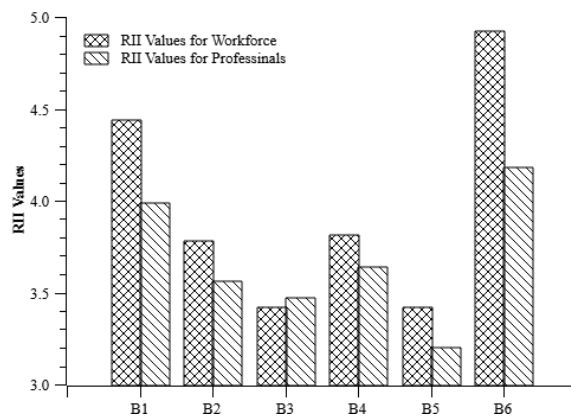


Figure 1-RII Value for Workforce Turnover Affecting Factors

According to the RII value in Figure 1, factor B6, "Availability of higher foreign employment opportunity" emerges as the most critical factor in both Labourers and Professionals. The next critical factor is B1, which is "Low wages and benefits compared to other industries" in both Labourers and Professionals. Similarly, other critical factors are B4, B2, B3 and B5, respectively in both Labourers and Professionals.

4.4.2 RII Analysis for Workforce Development Strategies

From both labourers' and professionals' perspectives, six key factors were identified as having a significant impact on workforce development strategies. The identified six factors are shown in Table 1 and the calculated RII values are shown in Figure 2.

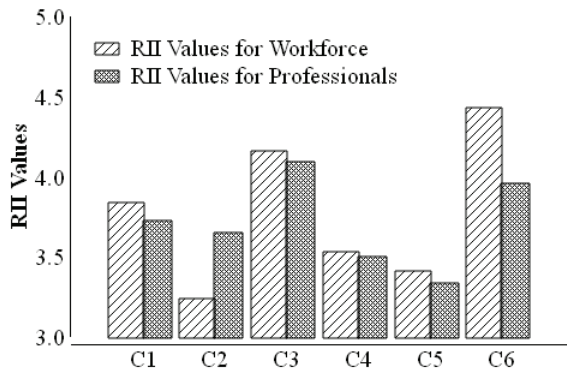


Figure 2-RII Value for Workforce Development Strategies

From Figure 2, factor C6, “Use modern technology and innovations to increase productivity” is the most important factor from Labours point of view, whereas factor C3 “Focusing on engagement and job satisfaction” is the most important factor from the professional's point of view. The next important factors are C3, C1, C4, C5 and C2, from labourers sides, whereas the next important factors from the professional side are C6, C1, C2, C4 and C5, respectively.

4.4.3 RII Analysis for Workforce Retention Factors

Ten key factors were identified from the viewpoint of Labourers and Professionals significantly impact workforce retention. The identified ten factors are shown in Table 1 and calculated RII values are shown in Figure 3.

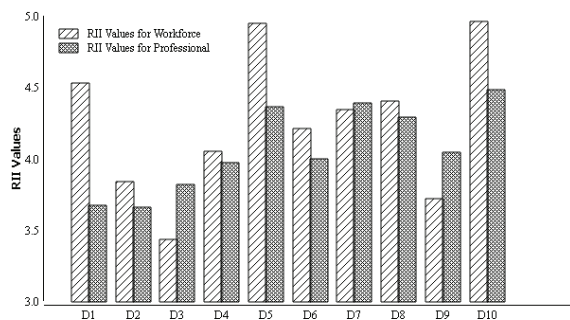


Figure 3-RII Value for Workforce Retention Factors

The above Figure illustrates that D10, “Providing medical support and resources for employee” is the most important workforce retention factor for Labourer’s and Professionals’ concern. Furthermore, the next important factors for Labourers are D5, D1, D8, D7, D6, D4, D2, D9 and D3, whereas D7, D5, D8, D9, D6, D4, D3, D1, and D2, are the next important factors in Professionals response.

4.5 Correlation Among Factors

In this study, perceptions from professionals and labourers were taken for the same set of questions under three categories, namely employee turnover affecting factors, workforce development factors and workforce retention factors. Using the paired sample test, it was statistically determined whether the perceptions of the two groups are same or not. The results were interpreted based on the correlation coefficient values in Table 4. The coefficient ranges from +1 (perfect positive) to -1 (perfect negative), with 0 indicating no correlation.

Table 4- Dancy and Reidy (2004) Spearman's Correlation Interpretation Table

| Spearman's Correlation Coefficient | Interpretation |
|------------------------------------|-------------------------------|
| >=0.70 | Very strong relationship |
| 0.40-0.69 | Strong relationship |
| 0.30-0.39 | Moderate relationship |
| 0.20-0.29 | Weak relationship |
| 0.01-0.19 | No or negligible relationship |

The paired sample test was necessary in this study because the same set of questions was administered to two interrelated groups, professionals and labourers, and the objective was to determine whether their perceptions significantly diverged. Establishing this difference is critical for identifying whether workforce policies should be designed collectively for the industry or tailored to the specific needs of each group.

Table 5, Table 6 and Table 7 represent the correlation coefficients and significance for those three categories. In those tables, symbolic word start with 'P' represents the perspective of professionals and the symbolic word start with 'L' represents the perspective of labours.

Table 5- Paired Sample Correlation for Employee Turnover Affecting Factors

| | N | Correlation | Sig. |
|------------------|-----|-------------|------|
| Pair 1 PB1 & LB1 | 100 | .249 | .012 |
| Pair 2 PB2 & LB2 | 100 | .055 | .585 |
| Pair 3 PB3 & LB3 | 100 | .040 | .696 |
| Pair 4 PB4 & LB4 | 100 | .134 | .184 |
| Pair 5 PB5 & LB5 | 100 | -.005 | .959 |
| Pair 6 PB6 & LB6 | 100 | -.017 | .864 |



The results in Table 5 show that, except for the factor 'Low wages and benefits compared to other industries,' there is little statistical agreement between the views of professionals and labourers on what causes employee turnover. This means the two groups generally see the issue differently, and their overall perceptions of turnover factors are mostly independent from each other.

Table 6- Paired Sample Correlation for Workforce Development Factors

| | N | Correlation | Sig. |
|------------------|-----|-------------|-------|
| Pair 1 PC1 & LC1 | 100 | 0.075 | 0.457 |
| Pair 2 PC2 & LC2 | 100 | -0.145 | 0.149 |
| Pair 3 PC3 & LC3 | 100 | 0.077 | 0.444 |
| Pair 4 PC4 & LC4 | 100 | -0.188 | 0.061 |
| Pair 5 PC5 & LC5 | 100 | 0.103 | 0.310 |
| Pair 6 PC6 & LC6 | 100 | 0.070 | 0.490 |

The results in Table 6 show that professionals and labourers do not have strong or statistically significant agreement on Workforce Development Factors. Although pairs 2 and 4 show a slight negative relationship, the p-values confirm that these are not meaningful. Overall, this means the two groups' views on workforce development are largely unrelated.

Table 7- Paired Sample Correlation for Workforce Retention Strategies

| | N | Correlation | Sig. |
|---------------------|-----|-------------|-------|
| Pair 1 PD1 & LD1 | 100 | 0.412 | 0.000 |
| Pair 2 PD2 & LD2 | 100 | 0.096 | 0.342 |
| Pair 3 PD3 & LD3 | 100 | -0.014 | 0.894 |
| Pair 4 PD4 & LD4 | 100 | 0.131 | 0.196 |
| Pair 5 PD5 & LD5 | 100 | 0.107 | 0.288 |
| Pair 6 PD6 & LD6 | 100 | -0.046 | 0.652 |
| Pair 7 PD7 & LD7 | 100 | -0.056 | 0.582 |
| Pair 8 PD8 & LD8 | 100 | 0.061 | 0.547 |
| Pair 9 PD9 & LD9 | 100 | 0.002 | 0.983 |
| Pair 10 PD10 & LD10 | 100 | 0.049 | 0.630 |

The results in Table 7 show that only Pair 1 (PD1 & LD1) has a statistically significant relationship, meaning the views of professionals and labourers match on this factor. For all other pairs, the correlations are weak or negligible, and their p-values are above 0.05, so the relationships are not significant. This means that apart from Pair 1, professionals and labourers

generally do not share consistent views on workforce retention strategies.

5. Conclusion

The construction industry in Sri Lanka plays a vital role in national development but faces major challenges in workforce turnover, development, and retention. This study identifies key issues such as low wages, poor working conditions, long hours, job insecurity, and limited career growth. It also highlights essential strategies to reduce turnover, build skills, and enhance workforce retention for greater industry stability.

Key Findings:

- Employee turnover is primarily driven by the availability of higher foreign employment opportunities (B6) and low wages and benefits compared to other industries (B1)
- Workforce development can be greatly enhanced by using modern technology and innovations to increase productivity (C6)
- Workforce retention is most influenced by providing medical support and resources for employees (D10), offering competitive compensation and benefits packages (D5) and allowing employees to set their own schedules (D1).

The analysis showed that competitive compensation, improved working conditions, job security, and career development opportunities are essential to reducing turnover. training programs, mentorship opportunities, modern technology adoption, and diversity initiatives were found to be vital for workforce development. Furthermore, flexible working arrangements, recognition and rewards programs, and open communication emerged as the most significant factors in retaining talent within the industry.

Recommended Strategies:

- **Competitive Benefits:** Offering comprehensive pay, allowances, and medical support.
- **Improved Working Conditions:** Enhancing safety, work-life balance, and employee welfare.
- **Structured Career Development:** Providing clear promotion paths, training, and mentorship.
- **Modern Technology:** Integrating digital tools and advanced machinery to boost productivity.

- Recognition and Rewards: Creating incentive programs and celebrating employee achievements.

The study's findings are aligned with the best global practices, confirming that improving retention and development requires a combination of competitive benefits, training, flexibility, and recognition. Targeted strategies addressing the distinct needs of both workers and professionals are necessary for overcoming the challenges faced by Sri Lanka's construction sector.

The study recommends improving benefits, working conditions, career pathways, and technology integration to build a stable, skilled, and motivated workforce. Implementing these strategies will strengthen Sri Lanka's construction industry for long-term growth and future demands.

Based on the findings, from the standpoint of construction labourers, this study highlights the urgent need to address the realities they face daily. Workers consistently encounter low wages, unsafe and uncomfortable working environments, long and inflexible hours, and uncertainty about their future in the industry. These conditions not only affect their productivity but also their physical and mental well-being, contributing to high turnover as many seek better opportunities abroad or in alternative sectors.

It is recommended that construction professionals adopt tailored workforce strategies, as professionals and labourers view turnover, development, and retention differently. Development should focus on technical and leadership training for professionals, and practical skills, safety, and career growth for labourers. Retention efforts must prioritize fair pay, better benefits, and improved working conditions, supported by regular dialogue to reduce perception gaps and build trust.

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