# National College of Ireland

# *An Investigation into Employee Turnover in the Recruitment Industry*

**By Sarah Hickey**

**Masters' of Science in Management (Part-Time)**

**National College of Ireland**

**Submitted to the National College of Ireland, August 2020**

**Abstract**

**Purpose:**

The purpose of this study is to investigate turnover in the recruitment industry. By exploring factors of turnover and identifying retention strategies, this study formulates a research agenda to help reduce turnover in the recruitment industry.

**Research Design/Methodology:**

This research project performs a thematic and exploratory critical review of turnover in the recruitment industry. The author pursued a qualitative and inductive research approach. Semi-structured interviews were deemed the most suitable research instrument to carry out the primary research. The author interviewed six recruitment professionals to uncover new insights to compliment previous literature. The results from the interviews were drawn together and compared with secondary research and formulated in a thematic and explorative analysis.

**Findings:**

The findings from this study demonstrate the importance of understanding the factors of turnover which contribute to a high rate across the industry. Arising from the data, new factors of turnover were uncovered such as, the age demographic of employees, lack of role clarity, and the on-going pressure in the industry. Additionally, the findings highlighted that financial reward is a key motivator in the industry and plays an important role in keeping high performing individuals engaged. Casual factors such as, leadership style and organisational culture were identified as important pull factors for employees joining alternative organisations. While employee engagement and burnout were explored, it was concluded they are factors that indirectly affect turnover. Moreover, learning and development was renowned as an area that requires much more attention to keep recruiters engaged and foresee a lifelong career in recruitment. Finally, the study identified number of common strategies the industry utilises for reducing turnover, for example, changing of job titles and holding company events.

**Key words:** Turnover, Factors of Turnover, Recruitment Industry, Recruiter, Recruitment Consultant

## Research Students Declaration Form

## Submission of Thesis and Dissertation

## National College of Ireland
## (Thesis/Author Declaration Form)

**Name:** Sarah Hickey

**Student Number:** 18178235

**Degree for which thesis is submitted:** Master of Science in Management (Part-Time)

**Title of Thesis:** An Investigation into Employee Turnover in the Recruitment Industry

### Material submitted for award

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B. I declare that all verbatim extracts contained in the thesis have been distinguished by quotation marks and the sources of information specifically acknowledged.

C. I agree to my thesis being deposited in the NCI Library online open access repository NORMA.

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**Signature:** *Sarah Hickey*

**Date:** 19/08/2020

**Acknowledgements**

Firstly, I would like to thank my family and friends, especially my Mother who continued to support and advise me throughout this Masters.

Secondly, I would like to the interview participants for giving up their time. Without their dedication and industry knowledge, this thesis would not have been possible.

Thirdly, I would like to thank my Supervisor Elaine Rossiter for your support and guidance throughout this thesis.

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## Chapter One - Introduction

1.0 Introduction

The purpose of this research dissertation is to investigate employee turnover in the Recruitment Industry. Much of the research regarding employee turnover is carried out in a general sense with a specific focus on certain industries, such as, the banking sector (Islam et al., 2013) and the lodging industry (Costen and Salazar, 2011). Therefore, this research dissertation aims to contribute to existing literature by considering employee turnover within the recruitment industry.

Recruitment is a sales driven industry which is known for its fast pace and highly pressurised work environment. According to the World Economic Confederation (WEC) economic report (2019), the recruitment industry generated four-hundred and fifty-seven billion euro as a result of placing fifty-three million individuals into employment in fifty countries in 2017. When specifically analysing the Irish labour market, Irish recruitment consultants placed one-hundred and thirty thousand individuals into employment and generated three-billion-euro for the Irish economy (NRF, 2017).

In the continuously changing economic environment, the recruitment industry plays a vital role in responding to market trends, skills-shortages, and labour market demands. Recruitment firm, Morgan McKinley, recently carried out an overview of the Irish Labour market. According to the results, fifty-seven percent of employers reported a skills shortage in their sector in Ireland (MMK, 2018). This shortage may be attributable Ireland's low unemployment rates in 2019 as unemployment fell below 5% for the first time since the economic downturn in 2007 (McCall, 2019). Moreover, talent constraints have had a major impact on Human Resources (HR) leaders. In 2019, PriceWaterhouseCoopers (PWC) conducted a survey to gather insights from Irelands Human Resource (HR) leaders. According to the survey, 75% of HR leaders stated they experienced talent constraints in recent years, while 85% of HR leaders expressed that retaining talent was their main priority in 2019 (PWC, 2019). Talent constraints and skill shortages have in recent years increased the demand for external recruitment as the war for talent heightened. Moreover, the global pandemic in 2020 has caused an unpredicted shift in the economy resulting in an increase in

unemployment across certain industries, such as, Small-Medium Businesses, Hospitality, Transport, Tourism and Travel (Gleeson, 2020). As the market demands shift, recruiters are still expected to generate revenue, deliver for their clients, and continue to contribute to business performance.

Despite the recent rise in unemployment rates, the recruitment industry continuously suffers from a lack of skilled recruiters. In 2017, the National Recruitment Federation (NRF) carried out a survey based on the recruitment industry challenges and concluded that, shortages of recruiters are one of the main threats to recruitment businesses in Ireland. According to the study, experienced consultants often leave agency recruitment and transition into a Talent Acquisition or In-house Recruitment position. This is a key challenge for the recruitment industry as large multinationals attract high performing consultants to move internally and benefit from increased work-life balance and higher basic salaries.

Moreover, the recruitment industry relies on the retention of consultants due to relationships and rapport they have built with clients and candidates. A recent employee turnover report from IBEC (2019) found that Dublin has the highest turnover rate of forty-eight percent across all business sectors, followed by Mid-West/South-East with a turnover rate of sixteen percent. Despite the detail of the report, the data does not provide a breakdown for the recruitment industry or sales industry. One can assume both industries fall into the category of "other" which has a twenty-four percent turnover rate. There is no doubt a dearth of up-to-date research into employee turnover in the recruitment sector. Nonetheless, turnover in the recruitment appears to be a widely spread problem across the world. In 2013, employee turnover in the recruitment industry in the United Kingdom (UK) was at a rate of 43% compared to other industries which held an average rate of 15% (Monster, 2013). Similarly, in Australia the average rate of turnover was 43-48%, while New Zealand experienced an alarming turnover rate of 50% in 2017 (Harse, 2017). In Ireland, there is a lack of industry research on this topic, however, a close comparison would be the sales industry due to their transactional nature. In 2019, the average turnover rate was reported at 35% compared to an average rate of 13% across other industries (Beltis, 2019).

At the time of writing, there is currently a research gap regarding the turnover of recruitment consultants in Ireland. The purpose of this study is to interview six professionals in the industry to gain further insight into the extent of the problem. The following section will clearly outline the research question and objectives for this research project.

## 1.2 Research Objectives and Question

This research project aims to investigate employee turnover within the recruitment industry.

The research question addresses the following:

*"What are the main reasons for employee turnover in the recruitment industry and what strategies are currently in place to minimise this rate?"*

### 1.2.1 Research objectives

To answer the research question, the author seeks to further examine the following research objectives to gain a deeper understanding of the following issues:

- To explore employee turnover in the context of the recruitment industry.
- To understand what the main reasons for turnover are in the recruitment industry; and,
- To investigate what strategies are currently in place to reduce turnover in the recruitment industry.

Having worked in the industry, the author has witnessed firsthand the high turnover rate in the industry and the effect it can have on a recruitment agency's financial returns and the diminishing morale across the business. By investigating turnover in the recruitment industry, the author seeks to gain a better understanding and make recommendations based on the findings to help agencies retain their employees.

This study will add to existing research by specifically focusing on the recruitment industry. The main objective of this research project is to understand why recruiters are joining and leaving the industry as well as why recruiters change to alternative companies in the industry. The insights from this research project will be enable the author to make recommendations to industry to help

reduce high turnover rates and thus, increase business performance. This study is important for recruitment agencies and bodies who are looking to attract, hire, develop and retain recruitment consultants.

## 1.3 Purpose of the Dissertation

The purpose of this dissertation is to investigate turnover in the recruitment industry. Due to the nature of the industry, agencies thrive on speed, industry knowledge and experience thus, cannot afford to maintain a high turnover rate. Undeniably, employee turnover can be expected in any business or industry, however, a deficit of high performing recruitment consultants' limits agencies ability to increase revenue and generate a profitable business year on year. Moreover, agencies that have a high turnover often experience an increased financial burden due to the cost of replacing high performing consultants, loss of potential sales and loss of relationships. According to Davidson, Timo & Wang (2010), the costs associated with employee turnover include replacement cost, recruitment campaigns, training and development, and eventually the cost of replacing that employee. AccCappelli and Keller (2013) found it can cost on average one and half times an employees' total annual compensation package when seeking to replace an employee. According to Conerly (2018), an average cost for an entry level position is 50% of one's salary, while mid-level can cost 125% and senior level can cost 200% of one's salary.

The investigation into the recruitment agency is of great significance as it will ascertain the primary reasons why turnover in the industry is disproportionately high and determine what strategies are currently being used in the industry to retain individuals. The results from this research project will be of great interest to Recruitment Agencies, Recruitment Bodies, Human Resource, and employees within the recruitment industry. The research seeks to discover the primary reasons of turnover, enabling the industry to make cost effective decisions and further develop retention strategies to minimise turnover costs.

## 1.4 Research Approach

The researcher will conduct a qualitative research approach. A qualitative research approach is, "*an attempt to understand behaviour and institutions by getting to know the persons involved and their values, rituals, symbols, beliefs and emotions"*, (Frankfort-Nachmias & Nachmias, 1996, p.281). Semi-structured

interviews were deemed the most suitable to enable the researcher to carry out an exploratory and thematic study.

The semi-structured interviews will consist of six participants which include a combination of leaders and solo contributors in the recruitment industry in Ireland. Face-to-face interviews will be conducted, to experience non-verbal cues and body language which will be important for the primary research. Saunders et al. (2016) suggests that, semi-structured interviews allow the interviewer to carry out non-standardised interviews and allow the flow of the conversation to decide the order of the pre-determined questions. Therefore, interview questions will be open-ended and based on the literature review conducted in chapter two.

The interviews will be recorded, analysed, coded, and presented in a thematic approach. As discussed by Saunders et al. (2016), an exploratory approach enables researchers to identify themes and patterns that are embedded in the collected data. Therefore, a combination of qualitative methodology and an exploratory approach will allow the researcher to conduct a thorough investigation into the recruitment industry. The research approach will be fully explored and outlined in chapter three of this research project.

1.5 Structure of the Dissertation
The dissertation will be presented in the following structure:

Chapter One: Introduction

The first chapter of this research project will justify and outline the research topic and purpose. The author will briefly introduce the recruitment industry and highlight key points for discussion. The chapter outlines the rationale for the study and provides a brief introduction into literature based on turnover, the research question, and the methodology for carrying out the primary research.

Chapter Two: Literature Review

The second chapter of this dissertation will discuss and analyse previous literature conducted on employee turnover. Chapter two will focus on a secondary research based on turnover models, factors of turnover and potential gaps in the recruitment industry. The researcher will introduce findings from similar

industries to test the research for gaps and accuracy when considering employee turnover from the recruitment industries standpoint.

## Chapter Three: Research Methodology

The third chapter will outline the research methodology which was used throughout this thesis. Chapter three includes the research question and objectives, a breakdown of the research methodological concepts proposed in this study, ethical considerations, and limitations to the study. The author will justify why a qualitative methodology was chosen for this dissertation.

## Chapter Four: Data Analysis and Findings

The fourth chapter will firstly, revise the research question and objectives. Secondly, the author will synthesize the literature review with new findings from the interview participants. The intention of this chapter is to present the data from the interviews and formulate the results based on the new insights discovered. The data will be presented using a thematic structure and new correlations will be discussed when appropriate.

## Chapter Five: Discussion

The fifth chapter will draw together the key elements of this research project and evaluate the findings. Chapter five will include an evaluation of the study, outline practical implications for the recruitment industry and provide evidence for future research topics considering the findings from this study.

## Chapter Six: Conclusion & Recommendations

The final chapter of this dissertation will draw attention to the salient points of this study. Chapter six will include a summary of the key findings, draw conclusions, and make recommendations for further research.

## Chapter 2 - Literature Review

2.0 Introduction

This chapter will investigate current literature with a specific focus on employee turnover, turnover models, and factors of turnover in organisations. This research project seeks to answer the following research question, "*What are the main reasons for employee turnover in the recruitment industry and what strategies are currently in place to minimise this rate?*"

There is currently very little research dedicated to employee turnover in the recruitment industry and is often generic across multiple sectors. The aim of this literature review is to understand current research theories and frameworks and identify limitations in the existing literature which will then be explored further in the primary research.

Firstly, the concept of employee turnover will be defined. Secondly, different theories regarding turnover models will be explored. Finally, factors of turnover will be examined. The gaps and limitations identified in this literature review will be used to prompt further investigation in this research project.

2.1 Definition of Employee Turnover

An early definition of turnover dates back to Price (1977), who referred to employee turnover as the number of employees who leave during the time period being measured, divided by the average number of employees in the company at that time. Similarly, Feldman (1994) discusses how organisational turnover considers the number of employees leaving within any time period and usually followed up by continued employment elsewhere. Price (1977) and Feldman's (1994) definitions are still widely accepted today, however, an additional definition from IBEC (2019, P.1) provides more detail to the emerging issue. According to IBEC (2019, p.1), "*Employee turnover is defined as the rate at which permanent full-time employees leave an organisation on a voluntary basis (excluding redundancy) within a specified time period (i.e. the number of employees, who have left the organisation and (i) were replaced, and/or (ii) for whom a vacancy still exists)*".

Moreover, there are two specific types of employee turnover which include, voluntary and involuntary. Voluntary turnover is usually initiated by the

employee, in contrast to involuntary, which is usually initiated by the organisation (Heneman and Judge, 2009). This dissertation will focus specifically on voluntary turnover in the recruitment industry.

Voluntary turnover is not specific to the recruitment industry. It can be expected in any organisation or industry. Abassi and Hollan (2000) discusses the impact excessive turnover can have on business performance due to the additional costs of replacing and training new team members. According to Steffens et al., (2017) voluntary turnover can have a negative impact on an organisation due to the disruption of team functioning, incurring costly recruitment campaigns and training programs and, creates a negative employers brand on the labour market. Steffens et al. (2017) theory is limited to a solar panel organisation in China, therefore, further investigation into voluntary turnover in the recruitment industry is required to determine the actual impact it can have on this sector.

The next section of this literature review will investigate current models and theories regarding what impacts an employee's decision to stay or to leave an organisation.

2.2 Theories of Turnover

There is much research on the justification of why employees leave one organisation to go to another. March and Simon's (1958) model considered two factors, the desire of movement and the ease of movement. March and Simons (1958) findings were limited to desire and movement but did not consider the embeddedness of employees in an organisation. Mitchell et al. (2001) on the other hand, discusses how employees who are more embedded in a company are less likely to leave the organisation, while individuals who are less connected are more likely to leave. This view was refuted by Hom et al., (2017) who claims that external factors or "off-the-job" factors, such as financially supporting ones family, can play an essential part in the decision to stay or leave an organisation. March and Simon's (1958) model and Mitchell et al.'s (2001) theory are more straightforward than recent literature which considers a number of additional factors that impact employee turnover. According to Sherman et al. (2006) and, Abassi and Hollman (2000), employee turnover is impacted by a number of factors including hiring practices, managerial styles, poor recognition, lack of

competitive remuneration packages, workplace environment, lack of training and limited career development opportunities. Similarly, Kukreja (2017) contributes to the research by suggesting that employees will continue working with an organisation should there be a consistent focus on adequate reward, career progression, consistent learning and development, clear communication between business leaders and a positive work culture. Financial reward as a factor of turnover is refuted by Taylor (2014). According to Taylor's (2014), financial reward does not impact individuals desire to move organisations, however, this argument does not consider how transactional the recruitment industry is. Financial reward will be explored furthered in section 2.3.1. to test Taylor's (2014) theory.

Based on the literature above several factors of turnover were identified including, lack of competitive packages, organisation culture, employee engagement, leadership styles (Sherman et al., 2006); Abassi and Hollman (2000) and, learning and development opportunities (Ahmad & Daud, 2016). The next section of this literature review will investigate the factors of turnover identified above and determine their applicability to the recruitment industry.

2.3 Turnover Factors

**2.3.1 Compensation Packages**

Dessler (2009, p.250) defines compensation as, "*all forms of pay or reward going to employees and arising from their employment"*. While Bhatia (2010) describes compensation as a "*systematic approach*" carried out by organisations in exchange for employees carrying out their roles. Similarly, Milkovich and Bloom (1998) echoes this theory when referring to financial rewards as tangibles that employees earn while working for an organisation.

The debate of compensation packages as a casual factor of turnover dates back to Herzberg (1959) two-factor theory, commonly known as the "motivator-hygiene theory". Herzberg's (1959) theory was limited to two factors, however, he argued that pay can prevent employees becoming unmotivated in their current role and can reduce their desire to seek a higher paying job elsewhere. More recent literature from Armstrong (2015) discusses the additional benefits of paying a competitive financial package, including increased employee engagement,

increased alignment of business goals and employees, promote high performance as well as, the ability to attract and retain the best talent in the market. Herzberg (1959) and Armstrong's (2015) theories are limited when applying them to the recruitment industry. However, Adam's (1965) equity theory appears to be more applicable to the recruitment industry. The equity theory considers the balance of exchange where individuals give something and expect something in return (Adam, 1965). This transactional theory is more appropriate to the recruitment industry as recruiters are required to generate revenue for their organisation and are rewarded with commission as a result.

According to Adam's (1965) theory, individuals are motivated by fairness. Moreover, the theory argues that low rewards produce higher levels of dissatisfaction and will often result in employees taking action to restore a balance, for example, employees may reduce their inputs and performance or move to an alternative organisation to increase their outputs or rewards (Adams, 1965). As conferred by Thierry (1992), pay is an important factor as it provides performance feedback. Employees who carry out their roles and perform well, will expect a competitive extrinsic reward which usually consists of salary, bonuses/commission and/or promotions (Beer et al., 1984). Recent research from Pink (2010), considers a case study which was carried out by Stanford University. The study examined individuals who were told *"do this and you will get that"*. The results drawn from the case study demonstrated that individuals who were promised a reward for carrying out a specific activity or task were less motivated when there was no reward attached. The case study is limited to kids based in a kindergarten and therefore requires further investigation in the recruitment industry to test its applicability. Despite the age demographic of this particular study, Pink (2010) argues that money is a powerful force that impacts individual's behaviour. Unlike the equity theory, Pink (2010) states that while money may not be a motivator for everyone it can be considered a demotivator if employees feel undervalued. Heneman's (1985) theory further supports this when suggesting that pay satisfaction has a direct affect on overall job satisfaction and can impact on behaviours such as, absenteeism, turnover and performance.

The above theories and literature do not focus specifically on the recruitment industry. However, the authors debate that money as a motivation can be

powerful and impacts impact employees' behaviours if they feel undervalued. Recruitment is a transactional industry where employees are hired to generate revenue for their organisation through making placements. One could deduce money is used to motivate recruiters to increase performance and high financial reward retains employees who perform well. This theory will be investigated in the primary research.

### 2.3.2 Organisational Culture

Furnham and Gunter's (1993) definition of culture is limited to a combination of similar communication methods and mutual understandings within one organisation. While Armstrong (2015, P.120) emphasises, *"Culture can have a significant influence on employees' behaviour".* Armstrong (2015) cites values, norms, artefacts, and leadership styles as essential elements when considering organisational culture. Ott. et al., (2018) further clarified the importance of organisational culture after concluding that more than a quarter of individuals leave their company due to a lack of organisational commitment and did not feel the work environment was a cultural fit.

Culture plays a significant role when considering turnover within any organisation. Ott et al. (2018) claimed that employees who perceive the "culture fit" in their organisation as an accurate representation of their personality will have positive experiences in work which can contribute to higher performance. In contrast, individuals who do not feel they fit into the culture can often struggle to maintain positive attitudes in work and will eventually become disengaged or will leave the organisation.

The above theories regarding culture are constrained as they do not consider organisational cultures in a recruitment context. Madhani (2015) discusses organisational culture from the perspective of a sales organisation. This is more applicable to the recruitment industry due to the transactional and controlled cultures experienced across both industries. According to Madhani (2015), sales organisational cultures are comprised of fundamental principles, common beliefs and norms that are dictated by management to determine how sales employees should think and behave. This is highly relatable to the recruitment industry where key performance indicators (KPI's) are enforced to track individuals'

performances including, the number of calls a consultant makes a day, how many CV's are sent, and the number of successful placements etc. By assigning individuals KPI's, organisations try to align their employees' output with their business performance and goals. Madhani (2015) discusses how sales organisations use financial reward and controlled environments to keep their employees engaged and achieving their targets. Based on the results from the sales organisational culture study, Madhani (2015) found that, adequate compensation packages and organisational culture play significant roles when determining the financial performance from employees' output.

One could deduce from Madhani's (2015) findings if individuals do not experience a cultural fit they will not perform as well, as their colleagues who do experience a cultural fit. This hypothesis will need to be explored further in the primary research to test its relevance in the recruitment industry. The primary research will, therefore, focus on investigating a typical recruitment agency culture and how it affects individual's performance and their intent to stay or leave an organisation.

### 2.3.3 Employee Engagement

According to Crawford et al., (2013, p.59–62) the following factors impact employee engagement: job challenge, autonomy, responsibility variation, effective feedback; cultural fit; progression opportunities; and adequate rewards and recognition. In contrast to this view of employee engagement, Hakanen et al (2006) argue that effective and quality leadership carried out by managers contributes to employee engagement and job satisfaction. Perrin (2003) adds to both Crawford et al., (2013, p.59–62) and Hakanen et al.'s (2006) theories when he conducted a study based on employee engagement.

According to Perrin's (2003) study on employee engagement factors such as effective leadership, accountability, autonomy, and control over one's work environment are essential elements for employee engagement. Perrin's (2003) study consisted of thirty-five thousand respondents in America, demonstrated that only one-third of employees are fully engaged daily. The study is limited to the American labour market; however, the results provide an interesting snapshot from a large sample of employees. Osborne (2008), on the other hand, provides

more context to this research study as he considers employee engagement in the context of the recruitment industry. According to Osborne (2008), it is essential for employers to understand the primary factors that drive employee engagement in such a competitive industry like recruitment. Osborne (2008) discusses how money is a core motivator for recruitment consultants, therefore, if employers do not want to part-take in a salary wars with its competitors, it is essential they pay more specific attention to increase employee engagement.

The above authors discuss employee engagement in a positive manner but do not consider the negative impact it can have on employees' behaviours. Yalabik et al (2013, p.2805) explore how work engagement can also negatively impact individuals by creating increased pressure resulting in stress and increased turnover. The study investigated British clerical workers using a cross-lagged research approach. Based on the results from the study, it was confirmed that employees who feel additional pressure to perform and engage in a company can often experience feelings of burnout (Yalabik et al., 2013). There are several limitations when attempting to apply these results to the recruitment industry specifically, the participant sample and research method. However, Yalabik et al. (2013) raise an important issue when continuously asking employees to improve their performance. The researcher will test the applicability to the recruitment industry due to both sectors being considered highly stressful and pressured.

Additional research from Armstrong (2015) in a general context, considered burnout to be a result of high pressure due to excessive performance standards, job demands and unreachable targets. Burnout can result in increased pressure leading to failure and ultimately resulting in increased absenteeism and higher levels of turnover (Armstrong, 2015).

As discussed in section 2.3.1, recruitment is known for having strict KPI's to assist employees hitting their targets. While KPI's contribute to consistent performance by consultants, the challenge for organisations is maintain a balance between high performance and engagement to prevent employees experiencing feelings of burnout. Alfes et al, (2010) claim that the key to engagement is finding a balance between encouraging a high productive work environment but also encourages balance in individuals' lives. While Armstrong (2015) argues the importance of adequate leadership is to prevent employees reaching burnout,

becoming disengaged and ultimately leaving the organisation. Effective leadership will be explored in the next section of this literature review.

As a casual factor of employee turnover, employee engagement has yet to be fully explored in the context of the recruitment industry. The authors discussed above have outlined several factors which can contribute to employee engagement including, the positive or negative impact they can have on employee's performance. These theories will be further explored and tested in the primary research to determine whether they are relevant to the recruitment industry.

### 2.3.4 Leadership Styles

*"Leadership means inspiring people to do their best to achieve a desired result. It involves developing and communicating a vision for the future, motivating people and securing their engagement",* (Armstrong, 2015, p.329). Armstrong (2015) further discusses the impact effective leadership can have on employees by inspiring, persuading, communicating, and clarifying what needs to be done and why. Tamkin et al., (2010) supported this theory, when referring to leader's ability to influence employees to carry out tasks and achieve higher performance. Rafferty et al. (2010) on the other hand, considered the impact leaders can have on employee's health, for better or worse. According to Rafferty et al (2010), abusive leadership can cause greater stress among employees. This is supported by Harter, Schmidt & Hayes (2002), who concluded that manager's actions can impact employees' opinions and attitudes regarding the workplace whereby, negative perceptions can often drive an increase in turnover.

Consistent with the above theories, Reina et al. (2018) concluded based on their leadership study that there are two alternative leadership mechanisms, pressure, and inspiration, which highlight the same concerns regarding effective and abusive leadership. Based on the results of the study, there was a direct link with managerial behaviours with employee's intent to stay or leave the organisation. This case study was based in a financial services company in America, therefore, to verify this hypothesis in the recruitment industry in Ireland, it will be tested in the primary research of this study.

Additional research from Steffens et al. (2017) contributes to the existing literature by investigating leader identity entrepreneurship and the impact it can

have on employee turnover. Steffens et al. (2014) defines leader identity entrepreneurship as a leaders ability to set boundaries in relation to a groups identity and group members, such as, who is "in" and who is not, as well as, determining shared values, norms and ideals. Furthermore, leaders who practice leader identity entrepreneurship can reduce burnout among team members, enhance employee engagement and reduce employee intentions to leave an organisation. This research study will test Steffens et al. (2017) theory and its relevance in the primary research.

As highlighted above by Reina et al. (2018) and Steffens et al. (2017), there are a few different methods when investigating the impact leadership can have on employees' behaviours. Reina et al. (2018) studied a financial service organisation, while Steffens et al. (2017) investigated a solar panel organisation. However, both case studies demonstrated the impact leadership can have on employees' behaviours and intentions to leave organisations. Undoubtedly, there are several limitations when applying this conclusion to the recruitment sector therefore, it will be explored more in-depth in the primary research of this study.

### 2.3.5 Learning & Development

Armstrong (2014, p.284) defines learning and development as, "the process of ensuring that the organization has the knowledgeable, skilled and engaged workforce it needs". While Aguinis and Kraiger, (2009) emphasise the importance of training to improve organisational effectiveness for individuals and teams, by developing their knowledge and skills. Mello (2015) on the other hand, questions whether organisations should invest in training and development programmes for employees, as the investment will fail to yield a return once the employee moves to an alternative organisation. Abassi and Hollman (2000), refute this theory and discuss the importance of organisations recognizing that employees make a major contribution to the success of the company, specifically individuals who are highly motivated and considered to be top performers. Thus, organisations who fail to invest in up-skilling their employees may fail to retain high performers and increase the businesses' profits. Therefore, one could deduce by investing in training programmes, organisations would yield a return as employees would be able to perform their jobs more efficiently and effectively.

According to Taylor (2014), individuals who are given the opportunities for career progression within their current company will be less likely to seek progression opportunities externally. Taylor (2014) theory was not explored by the scholars above, however, Rothwell (2016) and Ahmad & Daud (2016) support this statement, when recognizing clear internal career paths and professional development opportunities as one of key factors contributing to employee staying or leaving an organisation.

Islam et al. (2013) contributed to the above literature by exploring organisational learning culture, leadership and organisational commitment and the impact it can have on turnover intention. The findings from the study demonstrated that all three factors correlate with one another and directly impact the rate of turnover within the banking sector in Malaysia. Islam et al. (2013) concluded, if organisations wish to retain their employees then, they need to pay attention to training and developing their employees. Islam et al. (2013) identified a new link to employee turnover which has not yet been explored in the recruitment industry. This will be tested in the primary research to determine whether or not this correlation is applicable to the industry. Additional research from, Costen and Salazar (2011), focus on learning and development from the context of the lodging industry. The results demonstrated that employees who feel they have more opportunities to learn and develop new skills in the workplace will be more engaged and loyal to an organisation. This is consistent with Islam et al.'s (2013) research findings.

Islam et al. (2013), and Costen and Salazar (2011) have both investigated the impact learning and development can have on employees' behaviours. The results from their studies are consistent with one another, however, there is a challenge when applying them to the recruitment industry. Firstly, the sectors are not similar to the recruitment industry and secondly, they do not consider employees working in Ireland. Learning and development will be investigated in the primary research, to determine the impact it has on employee turnover in the recruitment industry.

## 2.4 Conclusion

This chapter defined employee turnover, discussed models of turnover and identified five casual factors that impact turnover in organisations. The overall findings from the secondary research have highlighted a number of gaps and emerging issues which need to be tested in the recruitment industry. Furthermore, several correlations have arisen in the literature review such as, culture and engagement, as well as leadership, engagement and learning and development. Therefore, the researcher will be aware of other possible links and themes which may affect the rate of turnover in the recruitment industry.

The next chapter will focus on the methodology and will explore how the research will be conducted, the research instrument used and how the data will be presented.

# Chapter 3 - Methodology

3.0 Introduction

The objective of this chapter is to present the methodology approach and provide context into how and why the research was conducted in this dissertation. According to Hudson & Ozanne (1998), methodology considers several elements including data gathering techniques, research design, research approach, research analysis and reporting. This chapter will outline the rationale for opting for a qualitative research method, provide justification for the research philosophy and design, determine how the data was collected and interpreted and identify the limitations of the research.

3.1 Research Aim

The primary purpose of this research study is to investigate employee turnover in the recruitment industry. By studying this topic, the author seeks to bridge the gap between existing literature discussed in chapter two with the primary research gathered in this study. This study will benefit recruitment agencies who are currently experiencing a high turnover rate and as a result pay high replacement and training costs. The findings from this study will be used to identify practical implications and recommendations to aid recruitment agencies to retain employees and reduce high turnover rates.

## 3.1.1 Research Question

The primary research of this dissertation is to answer the following question:

"*What are the main reasons for employee turnover in the recruitment industry and what strategies are currently in place to minimise this rate?"*

## 3.1.2 Research Objectives

1. To explore employee turnover in the context of the recruitment industry.

The author seeks to understand employee turnover and the impact it has on the sector. This will be achieved by interviewing recruitment professionals and determining their perspective of the subject. By interviewing six industry professionals, the author aims to reduce the current research gap.

2. To understand what the main reasons for turnover are in the recruitment industry.

Based on the literature review in chapter two, five casual factors of turnover were identified. The researcher aims to explore these factors more thoroughly in the context of the recruitment industry and determine whether they are applicable to the sector.

3. To investigate what strategies are currently in place to reduce turnover in the recruitment industry.

The final objective will determine if the industry has retention strategies currently in place. Based on the findings, the author will make recommendations how to strengthen these tactics to help reduce turnover in the industry.

## 3.2 Research Framework
The researcher opted to use Saunders et al. (2012) research onion as a framework for the methodology of this dissertation. Referring to figure 1, Saunders et al. (2012) research onion considers six layers when conducting a research methodology. The layers include philosophies, approaches, strategies, choices, time horizons and techniques and procedures. Creswell (2013) discusses, the research design is a valuable blueprint for structuring and outlining the steps in any research project. This is in line with Saunders et al.s' (2012) research onion.

Figure 1: The Research Onion ¦ Source: Saunders et al. (2012, p.138)
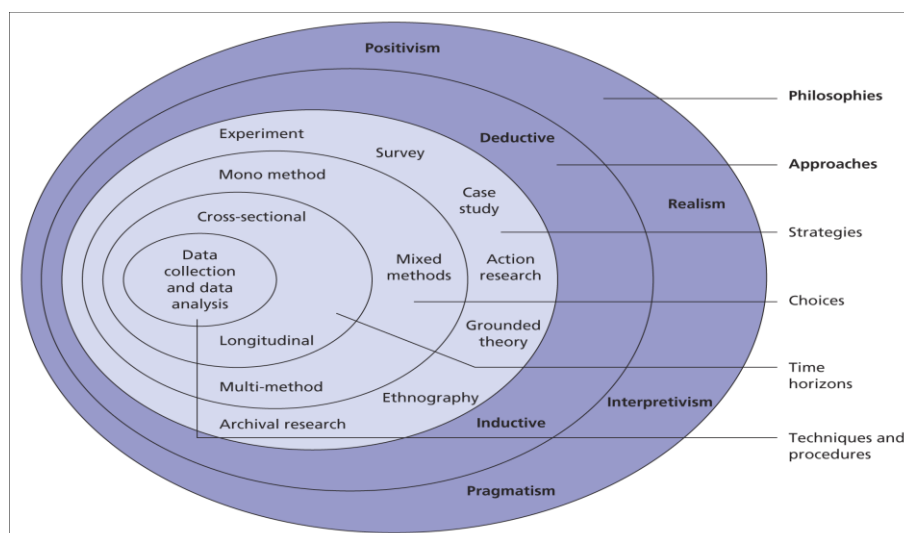


## 3.4 Research Philosophy
Research philosophy is an important element of a dissertation as it helps the researcher formulate research questions and determine how they seek to

investigate the answers (Creswell, 2013). This is reinforced by Saunders et al. (2016), who stated that *"research philosophy refers to a system of beliefs and assumptions about the development of knowledge"*. Saunders et al. (2016) consider two aspects of research philosophy, Ontology and Epistemology.

Ontology refers to the nature of reality and human beings and, how they impact other aspects of the universe (Saunders et al., 2016). Byrman (2015) further classifies ontology into two subsections subjectivism, and objectivism. According to Bryan and Bell (2015), subjectivism is concerned with exploring and understanding research in terms of identifying any underlying motives or purposes, which could have an impact on social phenomenon's or structures. While "*objectivism incorporates the assumptions of the natural sciences, arguing that the social reality that we research is external to us and others"* (Saunders et al., 2016, p.135). Saunders et al. (2016, p.135) states objectivism enforces realism, "*there is only one social reality experienced by all social actors*".

On the other hand, Epistemology considers the social reality of an investigation (Mason, 2002). Burrell and Morgan (2016) consider Epistemology as essential when communicating insights with individuals regarding assumptions and knowledge based on specific industries. This is in line with Collis and Hussey's (2014) theory. Epistemology is used to determine how reliable or valid knowledge is in the context of a research study (Collis and Hussey, 2014). Epistemology is sub-divided into two categories: positivism and interpretivism. Positivism is usually carried out in quantitative research. Additionally, positivism assumes that society has objective social facts and exerts influence on its members (Peace, 2013). While interpretivism is primarily used in qualitative research projects, it assumes that the reality of society is developed through the meaning of individual's actions and outlines that researchers should develop empathy and rapport with research participants (Peace, 2013).

Based on the philosophies highlighted above, the researcher chose an epistemology philosophy using interpretivism as a stance to interpret the findings and data. An interpretivism approach supports a qualitative research method. The study will benefit from this approach as the researcher will be able to develop stronger rapport with the research participants and gain a better understanding of

their actions. Additionally, due to the sensitivity of turnover, a personal approach was considered more appropriate as the researcher could demonstrate empathy and develop a deeper understanding on the topic.

## 3.5 Research Methodology Approach

The research approach is the next layer of Saunders et al. (2016) onion. The research approach layer considers how the data and findings will be tested. According to Saunders et al. (2016) there are two types of approaches, deductive and inductive. Ketokivi and Mantere (2010) support these two approaches and discuss the difference between the two theories. According to Ketokivi and Mantere (2010) a deductive approach involves testing theory through a set of theoretical propositions and the conclusion being true when all of the elements are in line. Whereas an inductive approach understands there is a gap in the current literature and therefore, considers all theory and premises before concluding with a judgement based on all the data and findings collected (Ketokivi and Mantere 2010).

This study will use an inductive approach based on the following reasons: (i) the researcher will not be developing theoretical propositions or hypothesis; (ii) the researcher will investigate the data to identify patterns and themes before concluding with a judgement based on the data gathered, and (iii) this research will sample a small number of people which is more in line with an inductive approach. This is supported by Saunders et al. (2016), who states that a small sample of individuals is usually carried out in an inductive research methodology approach compared to a deductive which considers a larger sample size.

### 3.5.1 Research methods

There are three types of research methods including an exploratory research, a descriptive research and, casual research (Saunders et al., 2016). The researcher has opted for an exploratory research method. By using this approach, the researcher will explore and test previous data and identify possible themes and patterns. This is supported by Domegan & Fleming (2007). According to Domegan and Fleming (2007) an exploratory project will enable researchers to establish trends, patterns and distinguish common behaviours. Additionally, Saunders et al., (2016) discuss an exploratory approach is conducted when a researcher is seeking to gain an in-dept understanding of a topic.

An exploratory method combined with an inductive approach will enable the researcher to develop themes when combining previous literature with the primary research. This will be key during the data analysis stage and will enable the researcher to be more flexible when conducting the data collection. Data collection will be discussed in the next section of this chapter.

3.6 Data Collection

Adam et al. (2014) considers two main methods of data collection including, qualitative and quantitative. Qualitative research methods are used when collecting data in a non-probability manner and enables researchers to study participants freely, measure the relationships between theory and reality, before arising to a conclusion (Saunders *et al*. 2012, p.162-163). Frankfort-Nachmias & Nachmias (1996, p.281) contributes to the definition by stating qualitative approaches aids researchers to gain a better understanding of their study participant's values, rituals, beliefs, and emotions.

In contrast, a quantitative method considers numerical measures, questions are clear and concise, uses probability sampling techniques and are often carried out in large sample numbers (Saunders et al., 2012, p.162-163). The collection of data is carried out in an independent manner, quantified, and compared to previous literature in order to determine a conclusion (Leedy & Ormrod, 2020). Zikmund (2010) compared the two methods in a simple way when stating a quantitative approach "measures and tests" research, while qualitative methods "observe and interpret".

When comparing the two approaches, a qualitative approach was considered the most suitable for this study. A quantitative approach would have been used for this dissertation, if the author wished to use a larger sample size and remove herself from the data collection process. Due to the nature of the topic and how little research has been previously conducted on the industry, the author opted for a qualitative method. The combination of a qualitative method with an inductive and exploratory approach will allow the researcher to be more flexible and adaptive when discovering new insights.

<u>3.7 Data Collection Methods</u>

Following on from the research approach and design, interviews have been deemed the most appropriate research instrument to collect the data. This is supported by Bryman & Bell (2015) who consider interviews to be the most common research instrument for a qualitative approach as it offers more flexibility. Yilmaz (2013) and Esterberg (2002) discuss additional benefits to interviews such as, the ability to capture detailed pictures of people's lives through asking open-ended questions thus, revealing the context and meaning of their actions (Esterberg, 2002; Yilmaz 2013).

Collis & Hussey (2014) consider three types of interviews including structured: semi-structured and unstructured. Semi-structured interviews were the most suitable approach as it enables the researcher to fully understand participants experiences and gather more in-depth knowledge regarding the rationale of turnover in the recruitment industry. This is supported by Saunders et al. (2016). Semi-structured interviews allow interviewers to establish a set of questions they wish to investigate and often vary from interview to interview (Saunders et al., 2016).

The subject participants in this research project range from a Senior Recruiter to Managing Partner. Due to the different levels of seniority, semi-structured interviews would enable the researcher to adapt the questions when trying to gain a deeper insight into the different perspectives of the participants. For example, a Senior Recruitment would have less experience in recruitment compared to a Managing Partner, therefore, questions may need to be adapted to fully understand both perspectives.

### 3.7.1 Research Instrument

Based on the previous literature in chapter two, the researcher pin-pointed several areas she wished to explore in the recruitment industry. For example, case studies based on leadership from Reina et al. (2018) and Steffens et al. (2017) identified the impact of effective and abusive leadership in their sectors. In addition, research from Islam et al. (2013) and Costen and Salazar (2011) discussed the impact learning and development has on individual's intent to stay or leave organisations. Following on from the findings in the literature review, there was several limitations when attempting to apply it to the recruitment industry, such

as, sample sizes, research methods and industry applicability. Therefore, the author will investigate and test the relevance of the emerging issues in the recruitment industry.

### 3.7.2 Interview Structures

The interviews will be divided into three sections and each section will have a specific focus based on the findings from the literature review. The pilot interview took thirty minutes therefore, interviewees will be asked in advance to dedicate thirty to forty minutes for the interview. The interviewer understands the participants time may be limited and thus, interviews may need to be shorter.

Section one will explore employee turnover in line with the first sub-objective of this study. This section aims to understand the participants understanding of turnover and identify new insights which have not previously been discussed in the literature review. By interviewing recruitment professionals, the researcher to gain access to inside knowledge in the sector.

Section two will investigate the five factors which were identified in the literature review. These factors include compensation packages, leadership styles, organisational culture, employee engagement and, learning and development. Each topic will have three questions to prompt the interviewee to discuss the factors of turnover thoroughly. Question one will focus on testing the secondary literature, question two will focus on their perception of each factor as an emerging issue and question three seeks to understand whether the factors have previously impacted their decision to stay or leave an organisation.

The final section of the interview will explore reducing turnover. This section seeks to address the third sub-objective from chapter one. By identifying current strategies, the interviewer will be more knowledgeable when highlighting practical implications to benefit the industry.

### 3.7.3 Pilot Interview

Prior to conducting the semi-structured interviews, a pilot interview was carried on a Practice Leader who works in a recruitment search business. By conducting the pilot interview, the researcher was able to identify timescales, ensure questions were appropriate and make changes before the real interviews. This supports Saunders et al.'s (2012) suggestion that the importance of conducting

pilot interviews to highlight any emerging issues with the research instrument and/or research question.

The pilot interview proved to be beneficial as it highlighted several areas to adapt. For example, questions were rephrased and broken into three sections based on the sub-objectives of this study. This enabled to interviewer to ensure the objectives would be answered. Additionally, questions such as "*what is your job title*?" or "*how long have you worked in the recruitment industry*?", as these questions were deemed not beneficial to study as the researcher already knew the answers. Furthermore, questions such as *"in your opinion, why do you think...?"*, were rephrased to, "*how has this impacted your decision...?*". This created a more direct approach which enabled the participants to address how the factors have impacted them differently.

3.8 Sample Selection

Saunders et al. (2012) considers two types of sampling approaches, probability, and non-probability. The sample selection was chosen using a non-probability approach. This is in line with Marshall (1996), who echoes Saunders et al.s' (2012) two types of approaches. According to Marshall (1996), probability sampling is a common approach in quantitative research. Probability sampling chooses participants at random (Marshall, 1996), while non-probability methods do not choose participants randomly (Horn, 2012). This study required individuals who were experts in the recruitment sector and thus, it was deemed most appropriate to carry out a non-probability sampling technique.

Marshall (1996), further discusses three approaches when selecting interview participants these include convenience, judgement and theoretical. According to Marshall (1996) judgement samples are actively sought out by the researcher. As previously discussed in chapter one, the author currently works in the recruitment industry and has specifically chosen individuals who have moved organisations at least once since joining the recruitment industry. By actively approaching individuals to partake in the study, the researcher carried out a judgement approach. To remove bias from the interviews, the researcher chose individuals from different organisations, backgrounds, and different job titles to ensure a more accurate representation of the industry was identified. The sample consists

of six individuals in the recruitment sector including a Recruitment Director, an Associate Director, a Recruitment Partner, a Managing Partner, a Team Lead and a Senior Recruiter. The individuals were each given a code to ensure their identity was protected, please refer to figure 1. By interviewing a range of professionals in the industry, the author aims to discover common trends and individual perspectives based on their individual experiences.

**Figure 2:** Interview Participants and Codes

| Participant Code | Job Title | Organisation |
|---|---|---|
| Interviewee 1 - A | Associate Director | Small Recruitment Agency |
| Interviewee 2 - B | Director | Large Recruitment Agency |
| Interviewee 3 - C | Senior Recruiter | Large Recruitment Agency |
| Interviewee 4 - D | Partner | Large Recruitment Agency |
| Interviewee 5 - E | Team Lead | Large Recruitment Agency |
| Interviewee 6 - F | Partner | Large Recruitment Agency |

The next section of this chapter will discuss the data presentation and analysis of the primary research.

3.9 Data Presentation and Analysis

Thus far, chapter three has confirmed this study will conduct a qualitative research with semi-structured interviews and maintain an interpretivism philosophy, an inductive and an exploratory research approach. To echo Saunders et al.'s (2016) methodology theory, a thematic approach was considered the most appropriate method for presenting the data and findings gathered in this study. Qualitative data analysis entails summarising of insights, categorizing patterns or trends, and developing themes based on the data gathered (Saunders et al, 2016).

Harding (2013) considered the importance of data analysis and the process of interpreting the data gathered. Braun & Clarke (2006) further explained the steps involved in a thematic approach. According to Braun & Clarke (2006), there are

six phases of a thematic approach including familiarising with the data, coding, searching for themes or patterns, reviewing themes, defining themes and, writing up. This is echoed by Saunders et al., (2016). A thematic analysis will identify themes or patterns which may have been embedded in the research (Saunders et al, 2016).

This research project is an exploratory investigation into the recruitment industry. Thus, a thematic approach is the most suitable method for presenting and discussing the data and findings. Chapter four will present the data and findings from the primary research while chapter five will discuss and creatively link the insights with the literature review.

3.10 Ethical Considerations

Prior to commencing this research project, the author completed the National College of Ireland Ethical review form. This form ensured the author understood ethical considerations when interviewing participants, researching the industry, writing up the research, collecting and storing data accurately and understanding the intellectual property rights of the dissertation. The ethical review form echoed Fisher (2007) ethical considerations. According to Fisher (2007), researchers must be aware of ethical considerations and ensure that people are treated fairly and respectfully, ensuring no harm is caused throughout the research project.

Before commencing the interviews, a cover letter was sent to the participants to the interviewees outlining the purpose and topic of the study. The participants also received a consent form (refer to appendices 1) which highlighted their rights throughout the study. The participants were informed that they would be recorded, and all data will be destroyed once the dissertation has been completed.

The researcher understands the sensitivity of the subject and therefore, the author coded the participants with letters of the alphabet to ensure they remained anonymous. This is supported by Cohen et al. (2011) who recommend using codes and job titles to protect the identity of the participants.

Finally, to eliminate bias and subjectivity from the interviews, questions will be worded in a similar manner to all participants and interviews will be conducted with no pre-determined assumptions or answers.

### 3.11 Limitations

The author experienced a significant limitation at the early stages of this study. On February 28th, 2020, Ireland entered a nationwide lockdown which restricted individuals' movements to two kilometres of their homes (Carroll, 2020). This was a result of a global pandemic commonly referred to as, Covid-19. According to the World Health Organisation (WHO) (2020), Covid-19 is an infectious disease which is a new virus to originate from Wuhan in China (WHO, 2020). Due to how infectious the disease is local governments have enforced lockdowns across the globe to prevent the spread. The global pandemic has created several limitations to this research. Firstly, face to face interviews were no longer considered appropriate. Therefore, interviews were conducted via a voice over internet protocol (VoIP) technology known as Zoom. Cater (2011) identifies building rapport with interviewees can be more challenging when interviews are conducted via video calls. This view was refuted by Deakin and Wakefield (2013, p.8) who stated "*Skype (Zoom) interviewees are more responsive and rapport was built quicker than in a number of face-to-face interviews*". The interviewer was able to overcome this limitation due to previously knowing the participants prior to commencing the study. Technical issues were a key limitation as some of the participants did not have strong Wi-Fi. Participants had to be asked to repeat their answers due to a poor-quality connection at times. Additionally, some of the participants were working from home with their children which often caused them to become distracted which interrupted their trail of thought at times.

As mentioned in chapter one, unemployment had fallen below 5% in 2019. Since the global pandemic, unemployment has increased to 22.5% (cso.ie, 2020). It is not yet understood how this has impacted the recruitment industry.

Finally, the sample size in this study was limited to six participants and therefore represented a small minority of recruiters in the industry. A larger sample size would have highlighted more accurate trends across the industry. The researcher will address this limitation in section 6.1 and recommend additional research should be conducted on a larger sample size.

### 3.12 Conclusion

To conclude, this chapter detailed the research methodology for this dissertation. In summary, the author discussed that she would conduct a qualitative, inductive

research method with an epistemological philosophical approach using an interpretivism stance. Furthermore, semi-structured interviews were considered the most suitable approach to carry out an exploratory and thematic study. By opting for a non-probability sample, the author identified individuals with different backgrounds to gain different perspectives and remove bias. Ethical considerations were discussed and adhered to throughout this dissertation thus far. Furthermore, the main limitation of this subject was discussed in detail with Covid-19 being the biggest challenge along with the size of the data sample.

The next chapter will discuss the findings from the interviews and analyse the primary data before concluding the study and making final recommendations for future research.

# Chapter 4: Data Presentation, Findings & Analysis

<u>4.0 Introduction</u>

This chapter will present the findings from the six semi-structured interviews. As previously discussed in chapter three, the interviews were structured in accordance with the sub-objectives in this research project. The questions asked were based on the participant's understanding and perception of turnover in the sector. Using the information gathered from the primary research, the author will carry out a creative analysis and synthesise the findings with relevant theory. The findings from the interviews will be presented using a thematic analysis. A thematic analysis is key for identifying and analysing the data in detail and highlighting themes or patterns (Braun & Clarke, 2006). To conclude chapter four, the researcher will highlight the key patterns and emerging issues that will be further discussed in chapter five.

<u>4.1 Thematic Discussion & Analysis</u>

**4.1.1 Employee Turnover in the Recruitment Industry**

The first section of the interview was focused on understanding employee turnover in the context of the recruitment industry. The first question asked to the participants was, "what is your understanding of employee turnover?". The six participants clearly demonstrated to the interviewer they understood the terminology. When asked, "do you think the recruitment industry has a high turnover?", the six participants agreed that the industry does experience a very high turnover rate. According to Director B, *"from my experience of the recruitment industry an average consultant will do 18 months to 24 months"*.

When the participants were prompted to specify the reasons for high turnover in sector, new significant findings were identified which had not previously been identified in the literature review. Four interviewees expressed their perceptions that new joiners do not fully understand the responsibilities of a recruiter. As discussed by respondent A, "*I think a lot of people coming into the job expect that it's a nice HR advisory role helping people to get jobs. You're not really helping to get jobs; you're helping companies to fill jobs so it's quite different*". Further insight was acknowledged by participant C, *"it's (recruitment) not for everyone. A lot of people join and then figure it out it's not for them".* Two other participants

agreed recruitment is not for everyone and highlighted the lack of barriers to entry often enables individuals to enter and leave the industry with ease. The ease of movement in and out of the sector reiterates March and Simon's (1958) two factor model which was discussed in chapter two. Moreover, six of the participants reiterated that recruitment is a sales industry which is highly pressurised. One could deduce that this plays an important rationale for the participants concluding recruitment is not for everyone.

Additional reasons for the high turnover rate were also uncovered. Managing Partner D stated, "*you have to remember you're having conversations all day every day with companies and candidates moving jobs, so it's front of mind that you have the option"*. While participants A and B both stated that people are not seeing recruitment as a life-long career and agreed the salary is too low, thus encouraging consultants to move organisations to gain a more competitive compensation package. Interestingly, the participants echoed financial reward as a factor of turnover in the recruitment industry before being asked directly about it. This will be discussed further in section 4.1.2.

Interview participants were asked to discuss the impact turnover can have on the recruitment industry. As Mello (2015) suggested, organisations who invest in training program run the risk of their investment leaving with the employee. This concern was echoed by the participants in this study. Five of the respondents discussed the cost of training individuals and referred to employees taking their skills, relationship, and knowledge with them once they exit the organisation. Additionally, five interviewees discussed the cultural impact of high turnover and the negative impact it can have on the perception of potential news employees prior to joining the organisation. The theme of culture and disruption was echoed in research by IBEC (2019), Armstrong (2016) and Price (1977) discussed the disruptive influence and financial costs of high turnover rates on organisations. Once again, the participants highlighted culture playing a significant part in turnover without being asked directly about the impact it can have.

The first section of the interviews identified several key insights such as individuals not perceiving recruitment as a lifelong career, lack of clarity of the role and no barriers to entry. These factors of turnover were not reflected in the

literature and would require further investigation to verify these hypotheses. While financial reward and culture were both identified by the participants to be key reasons for turnover in the recruitment industry, before they had been individually investigated in the second section of the interview. This echoed the importance of exploring these factors further.

### 4.1.2 Remuneration & Compensation Packages

The findings from the primary research indicated that financial reward including basic salary and commission, are key factors that impact employee turnover in recruitment. As noted by Managing Partner F, *"If you're targeted on always hitting numbers from a fees point of view then, naturally, you're creating people that are just naturally very financially motivated, they have to be financially motivated to bring in the fee".* Participant E stated, *"It's (pay and commission) one of their big drivers, just like any sales job, if you're not driven by salaries and earning more money, then it's not the right industry for you".* Managing Partner D highlighted, *"recruitment is a target-based role where you know ultimately, we're asking people to create revenue".*

As discussed in chapter two, Pink (2010) considers money to be a powerful force and the findings of this study suggest this is true in the recruitment sector. As mentioned in part 4.1.1, the participants highlighted the importance of financial reward in the industry prior to being asked questions on the impact of compensation packages in the recruitment industry. Director B reiterated the importance by stating, *"The package itself is always sold based on a relatively low salary with an uncapped earning potential".* Participant C stated, "*It will benefit the employer to offer a competitive salary to keep their consultants that are worth keeping there".* While Associate Director A outlined, "*You have to place candidates to make any money in recruitment so like, it is one of the main reasons why recruiters are leaving, because of the low salary".* These findings support Adam's (1965) equity theory which is discussed in chapter two. Consultants who receive lower rewards will experience higher levels of dissatisfaction and will take steps to restore the balance, for example, leaving the industry as outlined by participant A.

Further investigation into topic of compensation packages, revealed that five of the participants have previously left or stayed in a company based on the financial reward. Two of the participants reiterated the point that low basic salaries were outweighed by the potential of uncapped earnings, thus stayed with their employer. While three out of the five stated lack of financial reward caused to them seeking employment elsewhere. Respondent F stated that, while pay is always an important factor, it is not the number one factor when considering leaving an organisation.

Herzberg's (1959) motivator-hygiene theory emphasises that pay is a factor which prevents employees becoming unmotivated. This study confirms high performing consultants will benefit from high monetary rewards and will continue to perform well to reap the rewards. Moreover, when comparing past literature with the primary research, one could deduce that it takes a specific monetary, target driven individual to remain in the recruitment industry. For individuals who are not monetary, or target driven, they will not benefit from a low base salary with potential additional earnings and will eventually leave the industry.

### 4.1.3 Culture

While there is a lack of research into the culture in recruitment organisations, common terminology that emerged throughout the interviews included "high pressured", "money focused", "target driven" or "sales industry". As discussed in chapter 2, there is currently a research gap when defining what a stereotypical recruitment culture is. To gain a better understanding, interview participants were asked to define a typical recruitment culture.

Managing Partner D, recalled a time when he spoke with smaller boutique agencies who would have worn three-piece suits, rang a bell for each placement and the culture would have been considered a "*high fiving culture"*. Additionally, participant D stated, in the past it was not uncommon to "*beat people with a stick until they made X amount of phone calls everyday"*. The recruitment industry is still known for being highly pressured however there has been a cultural shift in recent decades with more focus spent on developing a balanced culture. Respondent E discussed, "*I left my last organisation for my current one because of the culture. That is a lot of what it is, I could recruit for any company. You think, oh yeah, I get access to clients in this company, but so do your competitors.*

*So, you need to think, what am I actually joining? Which is culture, it's very important to me".* Participant C made an interesting statement which supports Ott. et al., (2018) theory, that individuals will leave an organisation if they do not feel there is a cultural fit. Participant C stated, "*if you're not in the gang and you feel like a bit of an outcast, it might lead to people leaving the organisation".* Additionally, Director B touched on this topic too. According to Director B, "*there is a sense of a blanket culture across the industry. It does not account for different personalities, some people like it and some people do not buy into it. Some people will find it too high stressed or too full on."*

The participants mostly considered the culture to be a "work hard, play hard" type of industry. All the participants agreed there is an element of fun which balances out the competitiveness and high pressure experienced in the industry. One third of the participants confirmed they have left a previous employer because of the organisation's culture.

After evaluating the data two correlations were identified from the interviews. Firstly, if there is a high turnover in an organisation, it can further impact the organisation's turnover negatively. According to participant C, often the culture can disappear if one or two key people leave and it can result in a "*domino effect*". While Participant E, suggested that if there is a high turnover in a company, the culture may not be very inclusive.

The second correlation was discovered when the author asked if culture had previously impacted your decision to stay or leave an organisation. Associate Director A expressed, "*The culture is often created by the leader so those two are intertwined. So, in my previous agency that I did leave, it was an owner run agency, so she really created the culture, so I'd say yeah definitely it was the main reason for leaving".* The correlation between leadership and culture had not yet been explored in this research project. Leadership as a factor will be fully explored in section 4.1.5 and the researcher will look out for further links between these factors.

### 4.1.4 Employee Engagement & Burnout
During the literature review, the author discovered a possible correlation between employee engagement and burnout. As previously mentioned, Yalabik et al (2013:

2805) found that engagement can have a positive effect on organisational commitment but can also impact negatively on employee's stress levels. Similarly, Armstrong (2015) discussed how increased pressure can lead to burnout and ultimately lead to increased absenteeism and turnover within an organisation. To test this theory in the recruitment industry, the author asked interview participants *"Do you believe there is a link between employee engagement and burnout? Please explain".*

All six of the participants found this question more difficult to answer. For the most part, the interviewees could see a possible link. Both participants A and B believed there was a direct link while the remaining four participants believed there was a potential link but not in all cases. A key trend that arose during this topic discussion was, high performers often burn out due to the increased pressure they place upon themselves to continue generating the same or additional revenue. While some interview participants discussed how consultants often burn out as they keep chasing a certain figure or goal which they have placed in their minds. For example, Managing Partner D declared that, "*you can feel like you're chasing something, you feel like you're working for an employer, you want to be really engaged with but for some reason, you're not getting everything you want, and therefore you work harder to achieve it and that's not always the answer. So, you can end up wearing yourself out that way as well, chasing something that doesn't exist".* Similarly interviewee A stated, *"when you're doing well, you're putting in long hours and you're working really hard, and then there's almost an expectation that it just has to continue and you're expected to bring in so much revenue every month.*

The interview participants had similar views when it came to burnout and engagement. If employees are engaged, they will be more committed to generating revenue. As discussed above and in chapter two, this relates back to the equity theory (Adam, 1965). As individuals increase input and are awarded adequately, they will continue to work harder to achieve more. However, as demonstrated by some of the participants, often high performers can place too much pressure on themselves to deliver and can ultimately burnout trying to remain on top of their game. For employees who are not engaged, they might not burnout, but they may not be very successful in recruitment.

When considering burnout or engagement as a casual factor of turnover, all six participants agreed that both factors can impact the recruitment industry. Two participants declared the combination of both factors does directly impact the industry. Moreover, the interview participants shared the view that burnout could be resolved with a break from recruitment for example, with a week or two weeks holiday, while lack of engagement was more complicated. According to Participant D, "*I think employee engagement is very hard to get back once you have broken it, and once the employee is no longer engaged. It's very hard without a major shift which again as we said earlier on, you can't do because you can't just suit one person you have to, you know, you have to work towards the greater good. And so yes, a big worry for me there would be engagement more so than burnout*".

Four of the interview participants indicated that lack of engagement was a reason why they left a previous employer, while one of the participants left an organisation due to feelings of burnout. As discussed in chapter two, research from Yalabik et al (2013), and Maslach and Jackson (1981) indicate there is a direct correlation between burnout and employee engagement. One could deduce that individuals who put too much pressure on themselves to deliver will often experience burnout as a result. Data from the primary research demonstrates possible links but further research would be required to fully qualify these hypotheses.

**4.1.5 Leadership**

Leadership was one of the reoccurring themes throughout the interviews. The primary research highlighted two types of leadership styles, micro-management, and supportive leadership. Both are in accordance with Reina et al., (2018) two leadership mechanisms, pressure, and inspiration. According to Associate Director A, "*I think leadership definitely impacts performance like when you have a really supportive leader I think people do better, someone who is quite charismatic. But when you have like a dictator, someone that's like micromanaging, it's very difficult. It's a lot of pressure and like people don't do as well*". The participants individually discussed the positive influence good leadership can have on employees versus the negative impact poor leadership can on employees. According to participant E, "*Bad leadership can lead to people*

*leaving, like for obvious reasons I guess if somebody is the kind of leader that basically bark orders and just thinks that their job is to just boss people around like and then that makes people leave. And that happens in recruitment in Dublin a lot. I know people working in another agency and that is a reason why they leave".* Senior Recruiter C posed the question, "*If you don't think there's anything you can learn or gain from them (leaders), then why should you be working underneath them?".*

All the participants agreed that leadership does play a crucial part in recruitment. Participant F declared, "*I think anytime you have poor leadership that doesn't create high performing employees, you're going to have a high turnover organization, in fact what I'd say is that an organization that has a higher turnover, probably has poor leadership, you can nearly measure quality of leadership by turnover*". This statement reiterated Rafferty et al., (2010) theory regarding the impact abusive leadership can have on turnover. While Participant E supported Tamkin et al., (2010) theory in relation to the influence of good leadership. Participant E stated, "*Who your boss is very important. One of the main reasons I joined my current company was because of my boss. I knew I could work with him, I could tell what it would be like to work for, I knew he had been around the block and I knew it would work".*

While participant B who is a leader in recruitment stated, "*I think if you can get people to buy into your way of thinking, it does have an impact on turnover, but for the better and you know, it retains the staff*". The primary research echoed the importance of providing guidance, support and encouragement to junior employees. This supported Steffens et al.'s (2017) leader identity entrepreneurship theory which is discussed in chapter two. Based on the findings from the interviews, leadership was deemed an importance factor when trying to enhance employee engagement and reduce turnover in the recruitment industry.

### 4.1.6 Learning and Development
The interviewees were asked to explain "*how do consultants learn the job as a recruiter?".* All six participants agreed that on-the-job training was the best way to learn the role combined with online training seminars. Participant C stated, "*There isn't like a recruiter guide on "dos" or "don'ts. So, it's just you kind of pick*

*it up as you as you go along*". Respondent F was the only participant to mention recruiters learn from Human Resource professionals, "[recruiters learn from] *HR professionals, as to how they expect you to behave to them what they actually want out of their processes, and what kind of engagement they want"*. The data from the interviews concluded that recruiters learn on-the-job with additional training in specific areas and further guidance from HR professionals.

As argued by Aguinis and Kraiger, (2009) in chapter two, learning and development plays a key part in retaining individuals in organisations. The six participants agreed that learning and development as casual factor do have a huge impact in employee turnover. Managing Partner F stated, "*Yes, I think that is probably, actually one of the bigger areas that results in turnover in the recruitment industry*". While Managing Partner D declared, "*when it comes to learning and development, yes 100%. Learning and development is something that the recruitment industry doesn't have specifically right*". In relation to promotion opportunities, Associate Director A stated, "*I think in recruitment it doesn't matter what your job title is, you're essentially doing the same job, you might just have a fancier title so I think there's definitely a lack of real career progression and development in recruitment and that does cause people to leave*".

Most of the respondents stated they had reached the highest role level before seeking further promotional opportunities outside of their current employer.

Islam et al. (2013) and Costen and Salazar (2011) share the view that organisational training and development impact turnover in a company. This was echoed in the primary research when five participants stated that lack of learning or development has previously resulted in them seeking alternative opportunities outside of their current employer.

### 4.1.7 Reducing Turnover
Throughout the interviews, the participants individually discussed how there is a high rate of turnover within the recruitment industry. The five topics this research project explored are: remuneration & compensation packages; culture; employee engagement & burnout; leadership; and learning & development. Each participant agreed that these factors did play a particular role in turnover in the recruitment industry. Despite knowing and understanding the root of turnover, there is still a

problem in the industry and the challenge of retaining consultants and/or managers still remains a key concern.

Managing Partner F and Associate Director A both discussed that the recruitment industry is extremely competitive making it more difficult to retain employees. Managing Partner F stated, "*you know obviously a recruitment industry is highly competitive, there's very low barriers to entry between organizations and there's very low, there's not actually huge USP's (unique selling points) from organization to organization in many respects, and the culture in a lot of the organizations can be different but not massively different, as you might see in other places*". Associate Director A discussed the challenge of offering more competitive salaries to attract individuals, "*It's really hard to compete if they're offering someone with one year experience a €40k basic and then you're not allowed because you're gonna upset everyone else in the agency and so that can be really, really difficult*".

Additional challenges when attempting to reduce turnover is keeping employees engaged and building a culture in which people thrive in. According to Director B, "*keeping consultants engaged and making them feel that they're valued and that the means justifies the end. Yeah, I mean our job is a stressful job, it's target driven and then it's our job to make sure they are engaged to keep them driven*".

Interestingly, from the point of view of participant C, the key to reducing turnover is by having the best clients who hire frequently, "*I think the key is clients. If you have got good clients, and they hire often, and they keep all of your consultants busy and engaged*".

Managing Partner D stated the biggest challenge is resilience and keeping people interested in their work, "*I think your biggest challenge will be resilience and making it an industry that people will stick with, because it is such high turnover at the moment*".

It's evident there are a number of different challenges when trying to reduce turnover in recruitment agencies, a key trend from the participants is to build a culture in which people thrive in, to keep employees engaged and unfold individuals motivations and build goals to help consultants achieve them. The

author will make recommendations in chapter six based on the data collected to help reduce turnover in the recruitment industry.

**4.1.8 Reducing Turnover - Common Strategies**

The final sub-objective of this research project was to understand what common strategies are currently in place when trying to reduce turnover. Interestingly Senior Recruiter C recognized that their current employer used tactics such as setting goals, excellent commission structures, team nights out and building a good culture as methods to reduce turnover. This was reflected by two participants, B and F, who both touched on elements of these strategies they use to retain their employees. According to participant F, "*for younger workforces, which you often have, then you know it's fun days out, it's away days, it's a great Christmas party it's things like that, that people try to stand out from competition on. And they'll use strategies that come into play regarding commissions. So it could be that you know if you leave at a certain date you may not get commissions that are brought in following that date, so it definitely makes the recruitment consultant feel as though if they ever leave they're always leaving something on the table".*

Additional strategies included, changing of job titles, tying consultants into the organisation through education or development opportunities, as well as, outlining goals and opportunities for promotions.

4.2 Conclusion

Despite the data size being relatively small, significant trends and common perceptions emerged throughout the six interviews. Much of the primary research supports the literature review. For example, money is a powerful motivator and turnover can negatively impact a recruitment agencies culture. Additionally, a key pattern that stood out from the data was the importance of strong leadership and building a balanced organisational culture to maintain a high performing environment with adequate financial reward. This will be discussed further in chapter 5.

To conclude, this chapter presented, explored, and analysed the data and findings from the primary research. As discussed by Braun & Clarke (2006) a thematic approach enabled the author to identify commonalities, themes and patterns when

analysing the data. Chapter five will discuss the findings and insights which were discovered throughout the primary research. Based on the results the author will identify practical implications that will benefit recruitment agencies.

# Chapter 5 – Discussion

## 5.0 Introduction

Chapter five will conduct a critical and insightful analysis based on the findings presented in chapter four and the literature view in chapter two. Formulate from the discussion, the author will identify practical implications for the industry to overcome high employee turnover rates in the recruitment sector. Limitations and further research areas will also be acknowledged throughout this chapter.

## 5.1 Turnover in Recruitment

Previous researchers have discussed different models of turnover in organisations. March and Simon's (1958) model suggests that the ease and desire of movement often influences individual's to change organisations. While Hom et al. (2017) discusses "off-the-job" play a bigger role when motivating employees to move organisations. Moreover, this research study contributed to previous literature by establishing new factors of turnover for consideration.

Firstly, lack of barriers to entry into the recruitment field was identified when exploring the first objective of this investigation. Two of the participants discussed how employees can enter and exit organisations relatively easy without specific requirements. This draws attention to March and Simon's (1958) model which discusses the ease of movement will motivate individuals to change organisations. Secondly, the lack of clarity regarding the role of a recruiter and personality fit, were named to be the main factors why individuals leave the sector after a short period. The lack of personality fit can be linked to cultural fit, which will be further explored in section 5.2. However, the absence of clarity regarding the recruiter responsibilities is a key concern for the industry. This insight was identified as a significant finding as it did not arise in the literature review.

### 5.1.1 Practical Implications

It was acknowledged by some of the participants, that a certain amount of turnover is planned and accounted for in their organisation. As discussed in chapter one and two, turnover can be a costly expense when hiring, training, and replacing individuals. Based on the emerging factors highlighted above, there are

several strategies that the industry could introduce to retain individuals for a longer period.

Firstly, specific attention should be focused on educating new joiners to the industry on the role of a recruiter. This could be achieved through designing more detailed job descriptions and attending career days to promote recruitment as a career choice in universities. Secondly, hiring the right type of personality is essential. This could be accomplished through robust interview processes or simple psychometric tests, which would identify key personality traits such as, competitiveness and resilience. Moreover, apprenticeships and internships should be encouraged to promote careers in recruitment. Finally, to tackle the lack of barriers to entry, HR and Recruitment Managers could introduce further minimum requirements to the industry such as, an undergraduate degree or sales experience.

## 5.2 Factors of Turnover

The second objective of this study was to explore the main reasons for turnover in the recruitment sector. Much of the data proved to be vital information to the industry. Based on the findings from the interviews, the following statistics were uncovered:

- Three participants have left an employer due to lack of competitive financial reward.
- Three participants have left an employer because of the organisation's culture.
- Four participants have left due to lack of engagement with the role.
- Five participants have been negatively impacted by leadership styles.
- Five participants have left due to lack of internal training and development opportunities.

When analysing the above results leadership, and training and development were identified as the two main casual factors which influence individuals changing employers.

Firstly, whilst exploring leadership styles as a casual factor of employee turnover, it was visible the impact managerial styles can have on their employee's

performance. Leaders who understand individual's motivations, who can demonstrate they have "been there, done that" and lead by example, can gain more respect and loyalty. This insight was in line with Armstrong's (2015) and Tamkin et al.'s (2010) theories, which discusses the impact of effective leadership by inspiring and communicating with their employees, to influence their behaviours and achieve a higher performance. In addition, despite the difference in industries, the primary research did present similarities to Steffen et al.'s (2017) leader identity entrepreneurship theory, which highlighted the importance of setting boundaries, shared values, norms and ideals. It was discussed, recruitment leaders who have the expertise to define group norms, values, and collective goals, have the potential to minimise burnout, enhance employee engagement and reduce turnover in their organisation. The power of effective leadership was considered as highly important when trying to retaining individuals in the recruitment industry; however, abusive leadership was identified as one of the main reasons the participants have left a previous employer. The primary research corresponded with Reina et al.'s (2018) two alternative leadership styles which examines pressure and inspiration. Leaders, who inspire employees, will gain more respect, while leaders who apply pressure will have a negative impact on employee's behaviour. Further research into abusive leadership is required to determine the impact it has on employee turnover in the recruitment industry.

Secondly, the lack of learning and development opportunities was identified as the second highest factor of employee turnover in the industry. The participants indicated that the recruitment industry is not strong in this area but has somewhat improved in recent years. Mello (2015) argued that organisations who invest in training and development will lose the investment once individuals leave the organisation. Established from the results, it is apparent that organisations who fail to invest in their employee's development, will encourage them to search for development opportunities elsewhere. This finding was supported by Abassi and Hollman's (2000) theory, which recognizes the importance of employers training and developing their employees, specifically to retain the organisation's high performers. Additionally, Islam et al.s', (2013) and Costen and Salazars' (2011) case studies results are consistent with this research study. All three studies

demonstrate the importance of creating opportunities for high performing employees. The recruitment industry would benefit from an extension of this study based on a larger sample to determine the implications concerning the lack of training and development opportunities in the sector.

Thirdly, fifty percent of the participants have left an employer because of culture. Culture was a highly important factor for the participants, specifically, those who have experienced a personality-culture mismatch in the past. Moreover, the interviewees emphasised the highly pressured culture and the impact it can have on employees' performance. This was supported by Madhani (2015) who argues that employees who experience a cultural fit will perform better than their colleagues who do not experience the same fit. Madhani (2015) further discussed the impact organisational culture and compensation packages can have on employees' performance. As highlighted above, both culture and compensation packages have influenced three participants decision to leave an organisation. However, it is important to note that for the other participants, they felt their employer had achieved a competitive financial package and organisational culture which contributed to them staying in the organisation.

Compensation packages as a casual factor of turnover can have a positive or negative impact on individual's intent to leave an organisation. According to the literature, specifically, Armstrong (2015) and Herzberg (1959), financial reward is one of many reasons why individuals leave an organisation but, not the main factor. However, when exploring financial reward and bonus structures with the participants, it became obvious that competitive monetary reward has a significant impact on individual's performance but also, their intent to stay or leave an organisation. This finding supports Pink (2010) and Adam's (1965) theories, which highlighted money as a powerful motivator. Moreover, the primary research confers that money may or may not be a key motivation for individuals, but lack of adequate reward can result in demotivation and eventually individuals leave the organisation or industry. Undoubtedly, financial reward is exaggerated in the recruitment sector due to the consistent focus to generate more revenue for the organisation year on year. Further research would determine the impact financial reward has on performance.

In addition, it became apparent that certain factors can overlap and further increase individual's intent to leave or stay an employer. Employee engagement and burnout were explored separately to compensation packages; however, a correlation was identified between the two factors. High performers are perceived to be monetary driven due to the consistent need to earn more year on year. These individuals are generally highly engaged but can often burnout due to the excessive pressure they put on themselves to generate more revenue. This finding compliments Armstrong (2015) and Yalabik et al.'s (2013, p.2805) theories regarding the impact burnout can have on turnover as discussed in chapter two. In contrast, individuals who are not monetary driven, often become disengaged when they do not see adequate financial return from their effort. Once again this reiterates Adam's (1965) equity theory which suggests that low rewards produce higher levels of dissatisfaction. Crawford et al., (2013:59–62) further supports this insight, when they claim that adequate rewards and recognition are key factors which contribute to employee engagement. Further research based on a larger sample would provide more insight into this correlation and determine the impact the two factors have on one another.

The final objective of this research study was to explore current retention tactics used by the recruitment industry to minimise turnover. According to the participants, when individuals express their desire to leave the organisation, they are often rewarded with a higher job title to keep them in the business, while events such as Christmas or Summer parties are used to appeal to the younger age demographic to maintain a "work hard, play hard" culture. However, the participants who left previous employers due to the organisational culture or leadership issues were not offered solutions to remain in the organisation. It appears it is more difficult to retain recruitment consultants when there are issues regarding culture, leadership, engagement and burnout. This is a key concern for the industry, and it will be addressed in the practical implications in section 5.2.1.

5.2.1. Practical Implication
Based on section 5.2 several practical implications can be highlighted. Firstly, throughout the interviews the participants discussed how important monetary reward is in recruitment. Recruitment organisations can benefit from this insight by focusing on hiring monetary driven individuals. Additional support from HR

and Talent Acquisition could benefit the industry by identifying the most appropriate personality types to the industry. It is suggested that the recruitment industry use personality tests such as, psychometric testing, to identify suitable employees. By identifying the right type of personality, agencies could decrease turnover, focus on retaining their high performers and continue to increase business performance.

Secondly, culture and leadership have been highlighted as key motivators for employees staying or leaving an organisation. Recruitment agencies can gain from this finding by increasingly developing effective and inspirational leaders in their organisations. If employers wish to attract and retain the best talent, they will need to develop their leaders and create a culture that appeals to individual unique motivations. As demonstrated in the findings, leaders have the power to impact culture. Therefore, by developing recruiters into strong leaders they would be able to contribute to the organisational culture. Agencies could also benefit from increased training as senior management would become more engaged thus, staying in the organisation for longer.

As discussed above, individuals who leave employers based on intangibles factors such as organisational culture or leadership styles are often offered no resolution to remain in the industry. To reduce this issue, recruitment agencies would gain from fully understanding why individuals are leaving and offer a solution to the problem. For example, if there is a personality clash between a manager and an employee, the employee could be offered a team change. This would reduce turnover and the cost of replacing the employee.

Finally, learning and developing was identified as a key area for improvement in the recruitment industry. The recruitment sector could benefit from understanding this issue by clearly identifying potential career paths at an earlier stage of a recruiter's career. To address this problem, employees could be provided with more opportunities to expand their role beyond hitting their targets and experience other projects of interest to ensure they maintain engagement. Moreover, organisations could further benefit from conducting a skills gap analysis and provide incentives for employees to continue professional and personal development.

## 5.4 Limitations

There were a few limitations in this study. Firstly, a qualitative research method was used to gain a deeper insight into the recruitment industry. While the data represents an accurate account of the six individual's experience in the recruitment industry, it does not provide a full representation of the wider industry. In hindsight, a quantitative approach would have been more beneficial to fully cover the topic and define the trend in this dissertation.

Secondly, the interview participants are currently working in the industry. Therefore, potential bias could have surfaced when discussing possible reasons for individuals leaving the industry. This study would benefit from additional research from individuals who have left the industry and no longer work in recruitment.

## 5.5 Conclusion

This chapter discussed the findings from the primary research and outlined practical implications for the recruitment industry. The researcher has highlighted several recommendations and drawn attention to research gaps which require further research. The next chapter will conclude this research project and fully explore future areas for research.

# Chapter 6 – Conclusion

## 6.0 Conclusion

The purpose of this research study was to investigate the main reasons for turnover in the recruitment industry. As discussed in chapter one, the recruitment industry was responsible for finding job opportunities for one-hundred and thirty-thousand individuals in 2017 and generated three-billion-euro for the Irish economy (NRF, 2017). Undoubtedly, the industry has a vital part to play in shaping the Irish economy. However, as highlighted by the NRF (2017), the lack of recruitment consultants is a main threat to the industry. Additionally, recruiting campaigns, training programs, and replacing employees can be a significant cost for recruitment agencies in Ireland. Despite the lack of accurate figures in the Irish market, turnover in the recruitment industry appears to be a world-wide problem with countries such as the UK experiencing a 45% turnover rate in 2013 (Monster, 2013). Considering the lack of relevant information on the Irish market, the researcher aimed to investigate turnover in the recruitment industry and identify strategies for recruitment agencies to help reduce this figure and increase retention in the long-term.

To facilitate this investigation, three sub-objectives were outlined to guide the researcher and identify gaps and similarities in previous literature. Based on the literature review five casual factors of turnover were identified for consideration in the recruitment sector. Additional gaps from the literature review highlighted numerous gaps to be tested in the primary research. A qualitative research study with an exploratory and thematic method was the most suitable approach to conduct this research project. This was supported by Saunders et al. (2016), and Domegan and Fleming (2007), who consider exploratory projects to be more useful when seeking to gain a deeper understanding of the topic. The researcher conducted semi-structured interviews with six recruitment professionals. Despite the concise information from the six participants, limitations from this study were identified and discussed in chapter three and five. Limitations such as, sample size, research method and Covid-19 were of key concern and did impact the study.

This study made contributions to the literature by identifying new factors for consideration such as, low barriers to entry and exit, personality fit and lack of

clarity concerning the position of a recruiter. Additional findings from the primary research demonstrated that, the age demographic of the industry is young in nature and often attracts entry level professionals after graduating from college. Nevertheless, retaining these individuals longer than twenty-four months is a key challenge as they often pivot into alternative industries.

Chapter five critically analysed the literature review and primary research and outlined additional areas for exploration in the future. Furthermore, practical implications were discussed to assist the recruitment sector when trying to reduce employee turnover. Constructed from the findings and limitations of this research project, section 6.1 will outline additional research topics for exploration.

## 6.1 Further Research

Although this study provides a thorough insight into the recruitment industry, the results are limited to six individual's opinions in the industry. Therefore, a deductive approach with a quantitative research method would enable future researchers to gain a wider view of the industry. A larger respondent sample could further test the five casual factors of turnover identified and could be additionally tested before concluding the study.

Secondly, the interview participants in this study are currently working in the recruitment industry. Therefore, an expansion of this research topic would be to focus on individuals who worked in the industry at an early stage of career before pivoting into an alternative sector. Additional focus of this study could concentrate on understanding individual's perception of the role of a recruiter prior to entering the industry. The author recommends this research extension to fully understand why individuals enter the industry but do not pursue a long-term career in the sector.

Thirdly, learning and development opportunities were identified to be a key concern for the industry. The results from this study demonstrated that five participants left an employer due to lack of opportunities to progress. Additionally, the respondents have highlighted that younger employees often leave the industry as they do not foresee a lifelong career in recruitment. For this reason, the research recommends additional research to be carried out to fully

explore this emerging issue. This could benefit recruitment agencies when attempting to attract and retain individuals in the future.

Finally, the last objective of this study was to identify strategies that are currently in place in the recruitment industry to minimise turnover. This topic was not fully explored in the literature review. According to the respondents, there is currently a blanket approach to retaining individuals, without specific attention being paid to individuals' desires for to work for an alternative organisation. Therefore, it is suggested that additional research should be conducted to understand current retention strategies in the wider recruitment industry and utilise them more efficiently and effectively.

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# Appendix

1.0 Consent Form

An Exploration of Employee Turnover in the Recruitment Industry

I…………………………………… voluntarily agree to participate in this research study.

- I understand that even if I agree to participate now, I can withdraw at any time or refuse to answer any question without any consequences of any kind.
- I understand that I can withdraw permission to use data from my interview within two weeks after the interview, in which case the material will be deleted.
- I have had the purpose and nature of the study explained to me in writing and I have had the opportunity to ask questions about the study.
- I understand that participation involves discussing turnover in the recruitment industry.
- I understand that I will not benefit directly from participating in this research.
- I agree to my interview being audio/video recorded.
- I understand that all information I provide for this study will be treated confidentially.
- I understand that in any report on the results of this research my identity will remain anonymous. This will be done by changing my name and disguising any details of my interview which may reveal my identity or the identity of people I speak about.
- I understand that disguised extracts from my interview may be quoted in the final dissertation as part of this study.
- I understand that if I inform the researcher that myself or someone else is at risk of harm they may have to report this to the relevant authorities - they will discuss this with me first but may be required to report with or without my permission.
- I understand that signed consent forms and original audio/video recordings will be retained in a secured manner by the researcher until the exam board confirms the results of their dissertation.
- I understand that a transcript of my interview in which all identifying information has been removed will be retained for two years from the date of the exam board.
- I understand that under freedom of information legalisation I am entitled to access the information I have provided at any time while it is in storage as specified above.
- I understand that I am free to contact Sarah Hickey to seek further clarification and information.

Signature of research participant

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Signature of participant                    Date

Signature of researcher

I believe the participant is giving informed consent to participate in this study

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Signature of researcher                    Date