

A STUDY ON EMPLOYEE TURNOVER AND RETENTION IN CONSULTANCY FIRMS

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ABSTRACT

Long-term health and success of any organization depends upon the retention of key employees. To a great extent customer satisfaction, organizational performance in terms of increased sales, satisfied colleagues and reporting staff, effective succession planning etc., is dependent upon the ability to retain the best employees in any organization. Encouraging employees to remain in the organization for a long period of time can be termed as employee retention. It is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. **“Relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment...employee retention processes should be studied along with quitting processes”**. The main aim of this study is to analyze the causes of employee turnover and retention strategies to retain the employees in consultancy field.

Keywords: *Employee retention, Employee Turnover and consultancy.*

INTRODUCTION:

Employee Retention refers to the ability of an organization to retain its employees.

“Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time”.

Employee retention problems are emerging as the most critical workforce management challenges of the immediate future. Researches have shown that in future, triumphant organizations will be those which adapt their organizational behaviour to the realities of the current work environment where longevity and success depend upon innovation, creativity and flexibility. Retention is a complex concept and there's no single formula for keeping employees with an organization

Why do Employees Leave?

Research says that most of the employees leave an organization out of frustration and constant friction with their superiors or other team members.



Why retaining a good employee is important for a company?

- A company spends lot of money in developing an individual person and makes him ready to work great and understand the corporate working culture.
- When an employee resign his job from present company, it's more likely that he/she may join the competitors firm.

If an employee working in an organization for many years, they can understand the particular firm's guidelines, so thus they can adjust better. Employee retention has become a major concern for corporate in the current scenario. Therefore, managing the employee's turnover in an organisation is needed. Retaining the skilful employees in an organization is also needed. Mainly concerned with the consultancies that provide training to underprivileged people and making them to get placed in top companies.

When discussing employee turnover and retention the immediate reaction is to view turnover as a negative and retention as a positive. Psychologists have been researching and documenting their findings on the subject for over 50 years, mostly focusing on why people leave organizations (Staw, 1980, p. 253). One cannot deny there are organizational costs due to an

employee's departure; however, it would be naïve not to recognize there are benefits as well. Organizations must weigh the costs of turnover, recognize the benefits, and strive to find a balance. There is no debate that employee turnover results in some amount of accountable monetary expense. Additionally, there are expenses that are difficult to place a value on. Expenses include paying out accumulated benefits such as vacation, costs associated with out-processing and in-processing personnel, recruiting, training, lost productivity, operational restraints, not to mention experience and knowledge that is no longer available once the employee walks out the door (Dalton & Todor, 1982, p. 212).

According to recent surveys, "attracting and retaining key talent is considered as a key strategy to achieve financial success" (Raikes and Vernier 2004). The impact of turnover is widely considered to have direct and indirect costs on organisations, with the bill costing anywhere between 50 and 150% of an annual salary (Mercer 2004). In the humanitarian sector as well, the negative impact of staff turnover on the performance of relief aid agencies, and ultimately on what is delivered to beneficiaries, is mentioned as a key challenge to address (Richardson 2005; EPN 2005; Loquercio 2005), with the cost of a successful recruitment estimated at around 15'000 sterling by both the ICRC and VSO (Loquercio 2006).

REVIEW OF LITERATURE:

Employee turnover, as defined by Hom and Griffeth (1994), is 'voluntary terminations of members from organizations'. Loquerio et al. (2006) observed that staff turnover is the proportion of staff leaving in a given time period but prior to the anticipated end of their contract.

According to Singhet et al. (1994), staff turnover is the rate of change in the working staffs of a concern during a defined period. Ivancevich and Glueck (1989) opine that staff turnover is the net result of the exit of some employees and entrance of others to the organization. Kossen (1991) defined turnover as the amount of movement in and out (of employees) in an organization.

Retention could be improved by many factors like better recruitment effort, selecting right man for the right job, continuous review of job specifications and job descriptions, compensation practices, leadership and supervision, career planning and development, working condition, team building, centralization, organization communication and commitment, counseling leavers, flexible working hours, employee participation, turnover policies and appreciations (Mobley, 1982; Arthur, 2001).

Employee Retention by Josh Schusterman on Monday, July 13, 2015.

Consider these four ways to improve employee retention: a) Give them a sense of ownership and autonomy, b) Make work more convenient, c) Make it known how you feel through recognition and d) Be a part of their life and career ambitions.

Hinkin & Tracey (2000) IOSR Journal of Business and Management (IOSR-JBM) Volume 14, Issue 2.

Noted that even for jobs that do not require high level of skills, a retention strategy can positively affect the engagement, turnover and ultimately financial performance, especially, for positions that involve interaction with customers. When a significant share of employees only stays for a limited time with a company that is a pointer towards underlying problems that need to be explored and addressed by determining the most adequate measures.

Cole (2000) Abasyn Journal of Social Sciences; Vo. 4 No.1

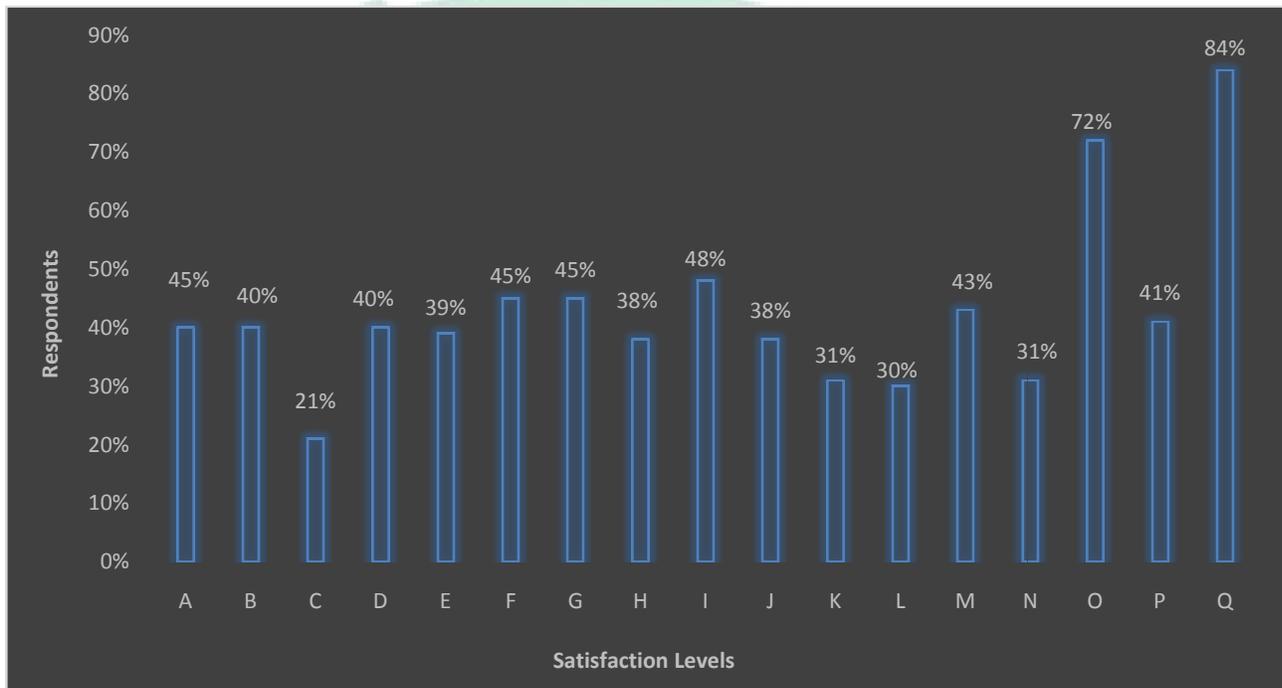
The factors which are considered and have direct affect are; career opportunities, work environment, work life balance, Organizational justice, and existing leave policy and organization image. Employee are stay and loyal with such organization where employee have value, sense of pride and work to their full potential

RESEARCH METHODOLOGY

This study is based on descriptive design. The data were collected with the help of

questionnaire. Sample size of the study is 72. Data are collected from employees working in various consultancy services.

FINDINGS:



- A) It was found that 45% of employees were shifting because of Good pay and also 40% of employees are looking for flexible time to retain in the organization.
- B) It was observed that 40% of employees are highly satisfied with working environment, and 7% were dissatisfied.
- C) It was known that 21% of employees are neutral in satisfaction level on welfare measures.
- D) It was observed that 40% of employees are with very high level

of work stress, 25% were in moderate level of stress.

- E) It was found that 39% of employees are neutral in satisfaction level in implementation of three R's.
- F) It was found that 45% of employees were shifting because of Good pay.
- G) It was found that 45% of employees were satisfied with infrastructure and equipment provided.
- H) It was found that 38% of employees were satisfied with the training and development programs.

- I) It was observed that 48% of employees were in moderate level of satisfaction in terms of appreciation for hard work.
- J) 38% of employees were strongly disagree in consideration of employee's satisfaction and grievances.
- K) 31% of employees were satisfied with the working place.
- L) 30% of employees were satisfied regarding promotion opportunities.
- M) It was found that 43% of employees are highly satisfied in relationship with manager.
- N) It was observed that 31% of employees are satisfied regarding motivation from higher authorities.
- O) 72% of employees satisfied with organization policies and procedures.
- P) It was known that 41% of employees are highly satisfied regarding job rotation and new assignment.
- Q) Most of the employees (i.e. 84%) says that they are satisfied with impact of motivation towards them.

- A healthy working environment
- Responsive scheduling
- Positive employee-supervisor relationships
- Reasonable job demands
- Competitive pay and benefits
- Employee communication and influence
- Personally rewarding work
- Job security
- Career growth and learning
- Exciting and challenging work
- Meaningful work and the opportunity to make a difference
- Great co-workers
- Being part of team
- A good boss
- Being recognized for a job well done
- Having fun on the job
- Autonomy or a sense of control over their own work
- Flexibility in work hours and dress code.

SUGGESTIONS:

Most of the organization will have certain strategies to retain their employees in their organization, in such a way, based on the employees expectation we have certain strategies we have suggested in order to retain their employees, as follows,

- Training and development opportunities
- A safe working environment

CONCLUSION

The present study was conducted on various CONSULTANCY FIRMS. The aim was to find the employee retention strategies. The study revealed that the organization makes the employees feels satisfied with most of the thing and thereby they retain their employees. At the end of the study we can

conclude that through there are many strategies like Competitive pay and benefits, Job security, a healthy working environment, Responsive scheduling, Positive employee-supervisor relationships we can retain the employees in the organization. This can be done by incorporating the suggestions given there in at individual and organizational level.

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