Retaining Knowledge Employees: Strategy by HR Professionals

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Abstract

Human beings are the most important resource they are the life blood of an organisation. In today's highly competent labour market retention of valuable knowledge employee has been the biggest challenge. The purpose of this paper is to investigate ways adopted by HR professionals to retain knowledge employees. The study involved HR professionals from manufacturing and IT (Information Technology) Sector organizations in Karnataka. It reveals that promotion, training, remuneration, content of work, ability to move within the organisation, overseas opportunities are some of the best ways to retain in manufacturing sector whereas in IT work life balance, better work relationship, overseas opportunity and better learning/training opportunities. Furthermore employees degree of consistency can be kept up through preparing and professional success exercises and also the most ideal approach to hold top ability to the organization is by moving the employees within the organization, keeping up work relationship, straightforwardness, openness and a versatile work strategy can be win-win situation for both employees and organization.

Key Words: Knowledge Employees, Retention
1. Introduction

It is very evident that we live in a globalized world where information are being collected, transferred to every geographic areas by means of the technology especially the internet. The result of this globalization is the emergence of knowledge-based economies where effective management becomes important to ensure that workers continue to create the right value for the economy. Nowadays, organizations competency not only depend on solely financial capital and strength, rather knowledge has overtaken this in the new competitive advantage in business. In fact today Gross Domestic Product (GDP) growth rate is now determined by factors like quantum and quality of knowledge and applied in the production process of the economy. This knowledge based economies require Knowledge based employees to ensure good practices be put in place so as to improve the organization effectiveness.

The management of knowledge has gained considerable importance in business and management due to its advantages to deliver strategic results relating to profitability, thus competitiveness and capacity enhancement (Chua, 2009; Jeon, Kim and Koh 2011). It is evident that Organizations that effectively manage and transfer their knowledge are more likely to be innovative and perform better (Riege, 2007).

Successful organizations now understand why they must manage knowledge, develop plans as to how to accomplish this objective, devote time, energy to these efforts and most importantly retain them. Thus retention has become the most dangerous alarm to all HR Professional. Organizations are facing troubles to fight it out. Today most of the organizations have realized that it is not technology-based competitive advantages but most importantly their employees as sustainable competitive advantages as and so as to remain at the forefront and maintain a competitive edge organization strategies have to be developed to retain, develop, organize, and utilize their employee competencies (GroÈnhaug and Nordhaug, 1992).

The realization came that processes and technology alone are not enough to drive an organization but its human force are very integral part in organization’s success. Therefore, in order to manage knowledge effectively, attention and importance must be given to knowledge based employees.

2. Objective of the Study

To investigate ways adopted by HR professionals to retain knowledge employees.

3. Research Methodology

This paper is supported by cross sectional survey research design. A self-developed questionnaire, measured on a Likert Scale was used to collect data from HR Professionals of manufacturing and IT sector organizations in Karnataka. The questionnaire had a Cronbach alpha coefficient of $\alpha = 0.85$ suggesting that the instrument was reliable. The total population of the research comprised 220 HR
professionals with a sample size of 145 respondents. The Chi-square test of association was used in testing the hypothesis of the study.

4. Limitations of the Study
   1. Smaller sample size taken due to time constraints.
   2. HR Professionals from other states have not been taken into the sample which may add more insights.

5. Results

   The Chi-square value for overseas opportunity in manufacturing sector Organizations was X²(4) = 11.41 with an associated p-value of 0.02 while in IT Sector organization had a Chi-square value of X²(4) = 10.59 and a p-value of 0.03. The result provided strong evidence of an association between overseas opportunity, and retaining knowledge employees.

   There was also strong evidence of an association between Learning/training and development and retaining knowledge employees. In the manufacturing sector, training/learning and development had a Chi-square value of X²(4) = 8.15 and an associated p-value of 0.04 while in the IT sector it had X²(4) = 9.90 and an associated p-value of 0.04.

   Content /Challenging work in the manufacturing sector had a Chi-square value of X²(4) = 11.09 and an associated p-value of 0.03 while the IT had a Chi-square value of X²(4) = 10.71 with an associated p-value of 0.03. The result provided strong evidence of an association between content /challenging work and retaining knowledge employees.

   Employees in the IT sector were significantly influenced by work life balance with a Chi-square value of X²(4) = 20.52 and an associated p-value of 0.00. The variable had no significant influence in the manufacturing with a Chi-square value of X²(4) = 7.07 with an associated p-value of 0.13.

   Promotion significantly influenced in retaining knowledge employees in the manufacturing sector at a Chi-square value of 19.81 and an associated p-value of 0.00 while the variable did not significantly influence retaining knowledge employees in the IT sector at a Chi-square value of X²(4) = 7.76 and an associated p-value of 0.10.

   Job security significantly influenced in retaining knowledge employees in the manufacturing sector at a Chi-square value of X²(4) = 22.99 and an associated p-value of 0.00. The variable had a Chi-square value of X²(4) = 4.03 and an associated p-value of 0.25 in the IT sector meaning that the variable did not have any significant influence on retaining knowledge employees.

   Remuneration had a Chi-square value of X²(4) = 39.93 and an associated p-value of 0.00 showing a significant influence on retaining knowledge employees in the manufacturing sector. The variable however did not significantly influenced retaining knowledge employees in the IT sector at a Chi-square value of X² (4) = 2.11 and an associated p-value of 0.72.
The results also show that the ability to move within the organization had significant influence on retaining knowledge employees in the manufacturing sector at a Chi-square value of $\chi^2(4) = 94.00$ and an associated p-value of 0.00 without a corresponding significance in the IT sector at a Chi-square value of $\chi^2(4) = 0.19$ and an associated p-value of 0.98 respectively.

Better work relationship significantly influenced retaining knowledge employees in the IT sector at a Chi-square value of $\chi^2(4) = 13.13$ and an associated p-value of 0.00. The variable did not significantly influence retaining knowledge employees in manufacturing at a Chi-square value of $\chi^2(4) = 9.19$ and an associated p-value of 0.06 in the manufacturing sector.

As indicated in Tables 1, while some variables like transparency at work place, versatile work strategy significantly influenced in both manufacturing and IT Sector organization on retaining knowledge employees, some did not.

### Table 1: Levels of Significance between the Overall Variables and Strategies Adopted by HR Professionals in Retaining Knowledge Employees.

| Variables                          | Manufacturing Sector | IT Sector | |
|-----------------------------------|----------------------|-----------|
|                                   | p-value   | $\chi^2$ Value | p-value | $\chi^2$ Value |
| Overseas Opportunity              | 0.02     | 11.41      | 0.03    | 10.59      |
| Learning/training and development | 0.04     | 8.15       | 0.04    | 9.90       |
| content/challenging work          | 0.03     | 11.09      | 0.03    | 10.71      |
| Work life balance                 | 0.13     | 7.07       | 0.00    | 20.52      |
| Promotion                         | 0.00     | 19.81      | 0.10    | 7.76       |
| Job Security                      | 0.00     | 22.99      | 0.25    | 4.03       |
| Remuneration                      | 0.00     | 39.93      | 0.72    | 2.11       |
| Move within the Organization      | 0.00     | 94.00      | 0.98    | 0.19       |
| Better work relationship          | 0.06     | 9.19       | 0.00    | 13.13      |
| Transparency at work              | 0.03     | 9.16       | 0.00    | 15.35      |
| Versatile work strategy           | 0.04     | 9.91       | 0.02    | 12.23      |
| Mentoring                         | 0.98     | 0.41       | 0.00    | 20.52      |
| Participation in decision making process | 0.08 | 8.27      | 0.79    | 1.71       |

P<0.05 level of significance

### 6. Discussion

The broad objective of the study as earlier stated was to investigate ways adopted by HR professionals to attract and retain knowledge employees in selected manufacturing and IT sector organizations. Similarly, the study sought to determine the extent to which the identified variables are influencing in retaining knowledge employees in the selected organizations. The findings of the present study will assist HR Professionals in the formulation of effective policies in attracting and retaining knowledge employees. The study found the following variables to have significantly influenced retaining knowledge employees.
in both manufacturing and IT sector organizations: Overseas Opportunity, learning/training and development, content/challenging work, transparency at work, versatile work strategy. The results are consistent with previous research findings. For example, Smit and Cronje (2002) found training as one of the most important strategy adopted to retain best employees. Hay (1999) states lack in training and development leads to employee turnover in organizations.

The present study presents a strong evidence of association between overseas opportunity, challenging/content of work and retaining knowledge employee this is not strange as many knowledge employees like to take up challenging and innovative work they look for the ways there can make their work better and interesting, there is a feeling that this can be better nurtured overseas.

Work life balance and better work environment was found to have significantly influenced in retaining knowledge employees in the IT sector organizations but not so in the manufacturing sector. Similarly promotion, job security, remuneration and ability to move within organization was found to have significantly influenced in retaining knowledge employees in the manufacturing sector organizations but not so in the IT sector organizations. From this we can state that knowledge employees, want to be appreciated and rewarded, not only with money, but also by providing them challenging work and better work relationship which helps them in their achievements and contribution.

7. Conclusion

Today when effective management of knowledge has become a critical ingredient for organization seeking to ensure sustainable strategic competitive advantage automatically retaining knowledge employee will become an emerging issue in the face of competition. The findings of the study suggest that certain variables play a vital role in attracting and retaining knowledge employees. Such variables include Learning/training and development, overseas opportunity, challenging/content of work, transparency at work, versatile work strategy. Nonetheless, the importance of other variables should not be under-estimated when formulating a retention policy. It is only a comprehensive blend adopted by HR professionals in attracting and retaining knowledge employees which in turn will help reduce the high rate of employee turnover.

References


