Retention Of Knowledge Workers In It Industry In India: A Review

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Abstract

Knowledge Workers are the life-blood of any organization. It has been observed that there is a great demand for skilled professionals within India and abroad, which has resulted in technocrats leaving the organizations in search of greener pastures. Even though most of the organizations are now a days, found to be technology driven, yet Knowledge Workers are required to run the technology.

Knowledge workers are the most vital and dynamic resources of any organization. With all round development in each and every area of the economy, there is stiff competition in the market. With this development and competition, there are lots and lots of avenues and opportunities available in the hands of the Knowledge workers. The biggest challenge that organizations are facing today is not only managing these resources but also retaining them.

Securing and retaining skilled employees plays an important role for any organization, because employees' knowledge and skills are central to companies' ability to be economically competitive. Besides, continuously satisfying the employees is another challenge that the employers are facing today. Keeping into account the importance and sensitivity of the issue of retention& engagement to any organization, the present study tries to review the various available literature and research work on employee retention and the significant factors affecting employee retention and job satisfaction among the employees.

Keywords: (1) Knowledge Workers; (2) employee retention; (3) job satisfaction**.**

Introduction

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.

The competencies and skills of knowledge worker have become extremely vital competitive advantage in the present day business scenario. All the professionally managed organizations make an all-out attempt to acquire, retain and develop the talent pool that they encompass. Importance of human resources has increased manifold, firstly because of their scarce availability and secondly due to an increasing demand by the growing number of business units seeking quality talent. In this context the ability of an organization to keep hold of its vital and skilled manpower becomes extremely critical. HR department has to play a key role in designing the policies and practices which can enable an organization to retain the human resources contributing significantly to the business.

Knowledge workers are workers whose main capital is knowledge. Typical examples may include software engineers, architects, engineers, scientists and lawyers, because they "think for a living". What differentiates knowledge work from other forms of work is its primary task of "non-routine" problem solving that requires a combination of convergent, divergent, and creative thinking (Reinhardt et al., 2011) .Also, despite the

amount of research and literature on knowledge work there is yet to be a succinct definition of the term (Peoria, 2005).

Knowledge workers spend 38% of their time searching for information (McDermott, 2005). They are also often displaced from their bosses, working in various departments and time zones or from remote sites such as home offices (2005). Even though they sometimes are called "gold collars" because of their high salaries, as well as because of their relative independence in controlling the process of their own work .Current research shows that they are also more prone to burnout, and very close normative control from organizations they work for, unlike regular workers.

Knowledge Workers – A Historical View

The term was first coined by Peter Drucker ca. 1959, as one who works primarily with information or one who develops and uses knowledge in the workplace. Weiss (1960) said that knowledge grows like organisms, with data serving as food to be assimilated rather than merely stored. Popper (1963) stated there is always an increasing need for knowledge to grow and progress continually, whether tacit (Polanyi, 1976) or explicit. Toffler (1990) observed that typical knowledge workers (especially R&D scientists and engineers) in the age of knowledge economy must have some system at their disposal to create process and enhance their own knowledge.

In some cases they would also need to manage the knowledge of their co-workers. Nonaka (1991) described knowledge as the fuel for innovation, but was concerned that many managers failed to understand how knowledge could be leveraged. Companies are more like living organisms than machines, he argued, and most viewed knowledge as a static input to the corporate machine. Nonaka advocated a view of knowledge as renewable and changing, and that knowledge workers were the agents for that change. Knowledge-creating companies, he believed, should be focused primarily on the task of innovation.

Employee Retention refers to retaining the employee in the company. This is done either directly or indirectly in the company. An employee can be directly retained when a company signs a legal Bond with the employees for a certain period of time. This might reduce the attrition rate to an extent but increases the recruiting rate of keeping the position vacant for a long time.

knowledge workers who are usually well educated , master certain professional knowledge and skills; and most of them have quite good personal qualities, such as the broad vision, strong thirst of knowledge and learning ability, broad knowledge level, etc.

Second, the knowledge workers possess knowledge characterized with the rapid development and change, so knowledge workers have been in the status of self-development and constantly knowledge updating in a long period, which is equivalent to continuously inject fresh blood for the development of organization. It determines the developing direction and trends of the company's future.

Need Of The Study

Employee turnover is very high in IT Organizations in India as skilled workforce has umpteen numbers of opportunities to choose from, prompting each organization to compete with the other in continuously developing attractive and innovative retention strategies to hold back their critical workforce and also to attract prospects.

Huselid (1995) suggests that low rates of employee turnover are preferable to high rates as turnover has been associated with direct and indirect costs. The direct costs included severance, recruitment and training of new employees (Staw 1980, Darmon 1990, Hom and Griffeth 1995) and indirect costs is due effects on operating performance due to the disruption of existing routines (Staw 1980, Mobley 1982) following the departure of key employees or the loss of the social capital embedded in workers' relationships to each other and the organization. Thus the need for this study can be clearly defined in two points:

1. Attrition is a burning problem for each and every industry, especially because it fails to tap the full utilization of the Knowledge workers and wastes much of its time, money and resources due to this.

2. Dearth of motivation among the employees is one of the bitter truths that are responsible for the attrition in each sector/Industry.

Objectives Of The Study

This study on review of literature on retention initiatives undertakes the following objectives:
1. To find out the various research works that have been done in the area of employee retention.
2. To highlight the various factors which affect retention initiatives in an organization.
3. To suggest employee retention Strategy.

Significance Of The Study

The significance of the study lies in the detonation of the every industry especially IT industry in the recent years. Where on one hand the sector is growing with leaps and bounds, on the other the employee turnover has been alarmingly high, thus costing a lot to the company. The middle level and low level employees are victims of dearth of motivation and employee satisfaction also seems to be brandishing. The study is an attempt to assess the patterns of attrition and analyze the relationship among employee motivation, job satisfaction and employee retention, so as to utilize employee motivation to retain employees in an organization. Thus, not only is it significant for academicians but also for professionals who can exploit it to control the employee turnover.

Review Of Existing Literature

The study is descriptive in nature and only secondary data has been used in it. The secondary data consist of the books and various research papers in journals.

Contributing authors and Research papers

S. No	Year	Author	Research Topic	Public ation	Study Objectives	Findings	Remarks
1.	2011	Wolfgang Reinhardt, Benedikt Schmidt, Peter Sloep and Hendrik Drachsler	Knowledge Worker Roles and Actions—Results of Two Empirical Studies	Wiley Online Library	Proposes a typology of knowledge workers and their respective knowledge actions	➢ Contributes to the literature by proposing a new way of classifying the roles of knowledge workers and the knowledge actions they perform during their daily work. ➢ Furthermore, the paper provides a preliminary understanding of the relation between knowledge-intense work tasks.	➢ From the Current study one conclude that the different-different tasks and their routine work can affect the Knowledge worker

							retention.
2.	2010	Ritu Narang and Alka Dwivedi	Managing the job satisfaction of Knowledge workers: An Empirical Investigation	Asia Pacific Journal of Business and Management	Strives to develop a reliable and valid scale to measure the job satisfaction of knowledge workers.	➢ The results show that for enhanced job satisfaction, the management, on the one hand, has to progressively develop the employees in their field of work, both by giving them challenging tasks and creating a learning environment and on the other hand avoiding.	➢ Results Showed that the job satisfaction of Knowledge worker mainly depends on nature of work, variety of tasks and autonomy and environment of organization.
3.	2012	Ian Brinkley, Rebecca Fauth, Michell	Knowledge Workers and Knowledg	A Knowledge Economy Progra	➢ To provide a portrait of work and the workforce in the	➢ Significant minorities of workers reported their current jobs under-used their skills. The gap was less marked for knowledge workers.	➢ From this study it can be said the under-

		e Mahdon and Sotiria Theodor opoulou	e Work	mme Report	knowledge Economy. ➢ To find out who the knowledge workers are, what they do in their jobs, where they are employed and what employment structures, job characteristics and Organizational structures look like in the knowledge economy.	➢Found mixed evidence. About 20 per cent of graduates were in low knowledge content jobs. This is potentially worrying.	utilization of skills and low job content affect knowledge workers in an adverse way.
4.	2009	Hadi K. El-Farr	Knowledge Work and Workers: A Critical Literature Review	University of Leeds	➢ Critically discussing knowledge work and workers	➢ The review concludes that knowledge work and workers are still weak concepts and if they are to survive their definition and differentiation should be Narrowed and cleared. ➢ Alternatively, such terms could be excluded and substituted by	➢ The study showed that a very little is known yet about knowledge workers and

						Categorizing different emerging working classes into new professions, following the professionalization process.	knowledge work. So it should be broadened and classified in definite heads.
5.	2008		Managing Knowledge workers in E-World	University of Massachusetts Lowell, Lowell	➢ To understand the knowledge workers, their traits and personalities, before learning how to best manage them. ➢ Discusses these issues to help managers better utilize KM tools for employee productivity and business effectiveness.	➢ Implications for managing knowledge workers in this model are that individuals are predisposed to a learning type. All four learning types should be used to engender the most learning in the shortest amount of time. ➢ The knowledge workers attributes indicate the fact that they need to understand the whole of the business, not just their particular area of expertise.	➢ From this study it has been observed that a Knowledge worker should be a multi-tasker and has to understand the whole world.
6.	2010	Klara	Designing	Journal	➢ To	➢ This research indicates	➢ Th

		Nelson & Joseph E. McCann	for knowledge worker retention & organization performance	of Management and Marketing Research	find the significant relationships between three major knowledge Management (KM) design dimensions and the perceived ability of organizations to retain their knowledge workers.	that successful Knowledge worker retention is significantly related with higher reported financial performance.	e current study concludes that financial rewards motivate the Knowledge workers to do their job in a better way.
7.	2013	Anant Singh	An Analysis of Employee Retention in IT Industry in India	Asian Journal of Multidisciplinary Studies Volume1, Issue 5, December 2013 ISSN: 2321-8819	➢ To know their HR practices that affects the phenomenon of Worker Retention. ➢ To examines the phenomenon of Worker Retention in the ITeS sector in the City of Bangalore in order to develop appropriate strategies,	➢ As it is evident from the information reported in study a cross-section of ITeS organizations have been examined in the present study. ➢ The findings from such a wide range of organizations would enable a comprehensive analysis of the Worker retention phenomenon in the ITeS Sector.	➢ For better retention of Employees in IT sector requires that Organization should valued them as assets to them. Provide them empowerment in their

					which can help the organizations in this sector to retain their valuable talent.		working.

Human resources are complex and not easy to understand. These are the assets which can make as well as break an organization. Retaining them will help in the long-term growth of an organization and will also add to their goodwill. But the most difficult task faced by an organization today is retaining as well as satisfying these resources. Although the research paper tried its level best to reveal the various research works done and the contributions forwarded by various researchers in the area of employee retention and job satisfaction, but still much scope remains for more exploration in the field of employee retention and it by taking into consideration the factors like compensation practices, leadership and supervision, career planning and development, alternative work schedule, working conditions, flexible working hours etc. It may be mentioned that these efforts should be approached conducted by HR professionals.

Implications Of The Study

The concept of employee retention should be very distinctly understood and realized by organizations. The retention strategies designed should be such that the retentive forces are maximized and the debilitating forces minimized. Attempt should be made not to orchestrate the retention strategies in isolation but ensuring that it forms a part of the overall strategies for fortifying the pull on the human talent, which include sourcing, staffing and development strategies in addition. It should also be noted here that retention policies should be highlighted at par with other policies so as to ascertain that the employees feel they are highly valued. Once the employees working in the organization are made to feel that the organization holds high degree of attachment towards them, it shall be easy to incorporate retention strategies. The organization should inculcate the value of people asset and the duty of retention across all levels.

Many companies are adopting some fundamental actions to retain employees, including salary surveys to stay shoulder to shoulder of the market, culture-building exercises for

employees, exit interviews, counseling, employee development programs, rewards and recognition, as well as increased pay and benefits.

Recommendations: Developing Retention Strategy

Organizations should have a proactive retention strategy which helps in reducing employee turnover. Retention plan strategies should be different for different level of employees, because their roles are different; their needs are different; what motivates them are different and what makes them leave are also different. Based on the study it has been seen that dimensions of satisfaction and motivate are significantly different for employees on the basis of age, gender, marital status and education. Then, the regression model revealed that intrinsic motivation and involvement factors, as well as age and education level contribute to the sustenance of employees in the organization. Thus based on the findings, it can be said if the employees are motivated and involved in the work they can be retained.

The ease of retention would depend on their degree of motivation and involvement. It is desirable to plan employee retention strategy by an organization, which should cover following aspects:

➢ Reciprocity is the key Employees are investors in the company and expect a return on investment. The return can be in the form of recognition, empowerment and authority.

➢ Retention must be part of the organization's DNA. Successful organizations have woven retention and engagement deeply into their structure.

➢ Loyalty is never given. Loyalty must be earned; even satisfied employees sometimes leave. Therefore, develop sense of loyalty among the employees.

➢ Organizations must be seen as employers of choice. One has to compete on compensation and benefits, but win on culture, learning and development.

➢ Stars include more than just the top 10% -- or 1%! Stars are people at any level who sustain in the organization and bring value to it.

➢ Each generation of employees has different reasons for staying. For the first time in modern history, there are varied generations working side-by-side in most companies of this industry. Generational differences continue to pose new

challenges to today's employers. Thus, retaining them needs a generation-centric approach.

➢ Mentor widely and in both directions. Build learning relationships in all directions and hold all partners responsible for the success.

➢ Train intelligently. Provide on-going retention training in manageable bites – make it a continuous effort and find ways to size the retention plan to the specific demographics of the organization.

➢ Create a development culture. "Career development is the right thing for the organization (identifying and developing future leaders), the right thing for the employee (creating a development environment), and a key retention component."

➢ Recognize managers who keep employees. Meaningful recognition remains a potent energizer for employees and managers alike.

Limitations And Scope For Further Research

The research study is limited to a few aspects. Firstly, the study has considered only limited variables while assessing attrition, retention, and other perceived attitudes of the employees. Secondly, measuring attitudes of respondents is quite subjective. Although great care was taken for precision, yet there may be certain gaps which need to be rectified. Thirdly, the model needs to be tested on a larger dataset. Although dozens of letters were sent out to companies asking whether they would be willing to take part in this research, only two organizations have so far agreed to do so. Perhaps many felt that the domain of attitudes like involvement, motivation and satisfaction of their workforce (or perhaps lack of it) was a sensitive area and believed that it would reflect poorly on the organization. However, if more variables are taken into consideration, and if the questions used to measure the respondents' attitudes toward work are re-evaluated and adjusted, a better result can be attained.

It should be noted that the study was conducted in the National Capital Region (NCR) of India. Further research can be conducted by adding a couple of facets to it. The study can be replicated in other sectors where attrition has become a common problem. IT industry has close similarities with that of an IT industry with an equally alarming rate of attrition. Similar study can also be done in sectors like hospitality, infrastructure, retail, education etc. as intrinsic motivation becomes a pillar for performance, loyalty and eventual sustenance almost everywhere.

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