

The Knowledge Workers in India- A Qualitative Enquiry into their experiences related to Attrition and Retention

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ABSTRACT

For the last few years, the managers, researchers as well as the policy makers have been struggling to find a solution for effective talent management. An organisation needs to survive the competition and therefore, it is of immense importance that they are successful in retaining their critical employees (who are a source of their competitive advantage) for longer periods of time, or at least until it's mutually beneficial for both the company and the employee. There have been studies in the past which delve into the area of factors influencing the employee's intention to leave, and what possible measures can be introduced by the organisations in order to retain those employees. This working paper is a qualitative enquiry into the issues of attrition and retention among the knowledge workers in the state of Jharkhand, in India. It is expected to be able to be generalized further for the knowledge workers in the whole of India.

Keywords- Knowledge workers, Employee Attrition, Retention Strategies, Intrinsic Rewards, India.

I. INTRODUCTION

An organisation's most valuable resource is its key employees, and when they leave, it not only leads to financial losses for the organisation in terms of the training costs (Terera, S.R., & Ngirande, H., 2014), but also other direct and indirect losses in terms of low morale among the remaining employees, low productivity levels, hiring and training costs for the new employees, etc. (Tarigan, V., & Ariani, D. W., 2015). There are other hidden losses also like a critical employee leaves the organisation taking away knowledge, skills and training inputs gained through his past stint with the organisation; which automatically means a loss of the organisational competitive advantage (O'Connell, M., & Kung, M. C., 2007). Hence, attraction and retention of the key employees has gained critical importance in the past few decades (Hishop, D. et al., 2018). Retention of knowledge workers becomes necessary because they are more likely to leave an organisation soon enough in search of better opportunities. In the long run, an organisation's capability to retain its knowledge workers is

sure to determine how much success it can achieve.

Retention of knowledge workers remains a major cause of worry for the organisations, yet when it comes to developing economies like India, we do not find sufficient number of empirical studies in the field to be able to draw an inference. So, there is a gap to identify the main determinants for an effective policy for retaining critical employees by organisations in a developing economy like India, where the focus is specifically on the experiences that knowledge workers go through in their organisations, which influence their leaving or staying for a longer period.

This research gap is what the present study aims to address. In this study, by analysis of both available relevant secondary literature and the empirical data collated quantitatively from an already selected list of Indian organisations where knowledge workers are adequately represented.

II. LITERATURE REVIEW

There's a plethora of literature available on the subject. Therefore, in order to find out the most

important variables fit for the present study, an intensive review of the literature was done.

2.1 The Fast- Changing Market Dynamics for the Knowledge Workers

The now widely used term, 'knowledge worker', found its first mention by Peter Drucker in 1974. He defined a 'knowledge worker' as an employee who are the 'powerhouse' of knowledge, and it's up to them to decide to share this knowledge with others as they move between organisations or roles. This type of employees is highly mobile because they are in high demand due to the knowledge that they possess. And whenever they leave to join other organisations, it means a serious loss of competitive advantage for the parent organisation (Liebeskind, J. P., 1996).

It has been noticed that for a developing nation like India, the sectors of Information Technology (IT) and Information Technology Enabled Services (ITES) are faced with very high rates employee attrition, that is around 30-45 percent (Budhwar et. al., 2006). Therefore, there is an acute need for an effective retention policy for knowledge workers in the Indian IT and ITES sectors.

2.2 The Various Dimensions of Employee Turnover

Different researchers have defined turnover in different ways. The definition given by Hom and Griffeth (1995) appears to be the most practical of all definitions. They define turnover as the replacement cycle of a vacancy created when an existing employee leaves an organisation. Again, it can be found that there has been ample research on the topic of labour turnover (Bucklow, 1963; Gregg, & Wadsworth, 1995; Schlicht, 1978). There are two main types of turnover: Voluntary and involuntary. When an employee chooses to leave the job because of job satisfaction issues, or other reasons and initiates the process himself, it is Voluntary turnover. The turnover is involuntary when the employer initiates the process of an employee leaving the organisation, viz., dismissal due to disciplinary reasons, or retrenchment, etc.

The previous research has always equivocally suggested the same opinion and that is, in the present times, retention of its key employees is one of the biggest human resource challenges faced by every organisation.

2.3 Predictors of Employee Turnover

An organisation can be successful in forming effective retention policies only when, first of all, it can successfully identify and understand the reasons why employee turnover occurs within the organisation.

There have been many studies which have identified variables that determine the reasons for employee turnover, though there have been few studies which explain the variance causes of employee turnover (Lee, T.W., & Mowday, R. T., 1987; Harris, R.B. et al., 2007).

The causes that influence employee turnover are too diverse; some of these are Job dissatisfaction, workplace environment, loyalty and organisational commitment. Some studies have identified an incident termed as a precipitating event or precipitating shock event, where an employee who is satisfied with the job decides to switch to a different organisation instigated to do so by one event (Griffeth, et al., 2000; Steel, R. P., & Ovalle, N.K., 1984).

2.4 Exploring the possible determinants of Retention

The review of available literature on the subject of retention of knowledge workers where organisations are in a dire need to form effective retention policies so that their critical employees stay with them for a long period of time, revealed some really crucial aspects of knowledge worker retention.

Some studies showed that an employee feels motivated to be committed to an organisation which is actively involved in Corporate Social Responsibility (CSR) activities (Sharma, S., Sharma, J., & Devi, A., 2011). Being a part of such organisations give them a sense of meaningfulness and pride.

Another important and recently identified variable which has been found to be a major influencer in an employee's decision to switch the job, is the presence of intrinsic rewards in the organisation (Smith, B. D., 2005). Intrinsic rewards are directly related to employee engagement; and can be loosely defined as a factor which creates a positive state of mind for the employee, through the work that has been assigned to the employee (Harter, J.K., Schmidt, F.L., & Hayes, T.L., 2002). According to Bhatnagar (2007), when an employee feels happy due to the work that he is required to do, he is more committed to his organisation. It has been recognised that there

exists a direct relationship between intrinsic rewards and intrinsic motivation. Intrinsic motivation is, on the other hand, related to other factors like the support provided by the management to its employees, the level of faith that the employees have in the organisational performance management system, feeling of pride for the employer, relationship between the employee and the manager, etc. (Eisenberger, R., & Aselage, J., 2009). A talented employee requires a challenging and supportive environment to grow and develop. A challenging workplace environment along with an effective and transparent performance management system which leads the employee to the right career path, is also a source of intrinsic motivation to the employee (De Waal, A.A., 2003). Thus, it is seen that intrinsic rewards go a long way in retaining the employees by enhancing the job satisfaction level, increasing employee commitment, improved performance, reducing the job stress level, and introduction of innovative work practices.

Intrinsic rewards cater to the psychological well-being of the employees. Apart from these, the hygiene factors related to the job, which mean the factors which are external to the job, also motivate an employee to stay in the organisation for a longer period of time (DeShields Jr., O. W., Kara, A., & Kaynak, E., 2005). Intrinsic rewards can be understood to be subjectively related to the job in question, whereas hygiene factors are objectively related to the job. The factors like a satisfactory work pay system, benefits that are provided by the employer to the employees and their families, are some of the hygiene factors; which also play an important role in influencing an employee's decision to stay with the organisation. Both the intrinsic rewards and the hygiene factors affect each other.

III. RESEARCH

3.1 Need for the Study

There have been numerous studies done in the area of employee attrition and retention, and the effects of the two on the growth of the organisation. However, in spite of this, there still remains a lack of research in the field of retention and attrition of knowledge workers in India and similar developing nations.

In the recent times, Jharkhand has been lauded as one of the most rapidly advancing states of India. Therefore, the state seems to be a good ground for the purpose of this study; and it is expected that fresh insights about the point of view of knowledge workers in the state of Jharkhand can be gained through the data that has been empirically collected.

3.2 Consideration behind selecting the location of the study

Jharkhand has been one of the fastest growing states in the recent times. But, till date no study has been conducted on the topic of attrition and retention among the knowledge workers in Jharkhand. This study has the full potential to be a groundwork for the more detailed researches on the topic in the coming times in Jharkhand.

3.3 Population and sampling considerations

All the knowledge workers working in the state of Jharkhand are consisted in the population for the present study. The term knowledge workers here is following the same interpretation as observed during the detailed literature review for the same; which is that, the key employees in an organisation who carry their specialised knowledge and skills as a power come under the term 'knowledge workers'.

A huge majority of previous studies done in the area of knowledge worker attrition and retention have been focused on a specific sector, like Healthcare professionals, Information Technology (IT) professionals, Information Technology Enabled Services (ITES), Marketing professionals, etc. However, the present study has considered the knowledge worker attrition and retention issues and strategies from across various sectors.

A secondary research done in Jharkhand to identify which are the dominant sectors in Jharkhand with a sizeable knowledge worker workforce. According to this research, the following sectors came to fore with a sizeable knowledge worker population in Jharkhand: Business Process Outsourcing (BPO), Media, Retail, Marketing, and IT/ITES.

The method chosen for sampling is purposive sampling method. The criteria for selecting the respondents was taken as those employees who satisfy the definition for knowledge worker

adopted in the present study, and who have been in their current organisation for 0-5 years. Those who have been employed in an organisation for more than five years are less likely to consider leaving since the long tenure

makes them eligible for many benefits there. The size of our sample is 100 knowledge workers, across varied sectors in Jharkhand. Given below is the breakup of the sample:

Table 1

A profession-wise breakup of the respondents in the sample

SPECIFICATION	NUMBER OF RESPONDENTS	MEAN AGE
BPO Sector	30	29
IT/ITES	30	33
Marketing	20	37
Retail	10	42
Media	10	47

(Source: Survey)

In Jharkhand, the knowledge workers have a quantitative presence in the given sectors; that's why, the numbers here representing the respondents in the sample is also varied.

3.4 Objectives of the Study

The present study broadly assesses the experiences of the knowledge workers with respect to their attrition and retention. The specific objectives are given as under:-

1. Investigating the factors affecting a knowledge worker's intention to leave.
2. Based upon the data gathered from the interviews of the knowledge workers, this study aims to identify the determinants for an effective retention policy for them.

3.5 Research Design and Methodology

The present study employs a qualitative approach, and is focused upon informal and narrative interviews with the respondents, at either their homes or other informal location as per their convenience (away from their workplace), all with prior appointments. Since the present study focuses on the viewpoints of the respondent knowledge workers, therefore, a qualitative approach was suitable, and the quantitative dimensions got reduced in their significance for the study.

There was minimal interference from the interviewer's side during the respondents' narratives of their experiences in relation to attrition and retention scenario in their organisations. After the interview was over, the

respondents were provided with a semi-structured questionnaire which was so designed as to extract some more information regarding the specific issues in the study. It was made sure that the environmental setup for the interviews was casual and comfortable so that the respondents were more inclined to be frank about their expectations from their organisations and their career path. Additionally, the respondents were convinced about the research purpose of the interviews and the anonymity of their identity as well. Before the analysis was conducted, the interview transcripts were responsibly shown to the respondents.

IV. ANALYSIS AND RESULTS

After a comprehensive and careful scrutiny of the interview transcripts, the results were codified so that a subsequent thematic analysis could be done without compromising with the stated objectives of the study. Since this study had undertaken purposive sampling so that more viewpoints of the knowledge workers in varied sectors could be collected, and was not aimed at exploring the relationships between the variables collated, the study did not require significance tests.

4.1 The reasons for Job Switch

It is the most common belief that the employees go ahead with a job switch because of the pay package the new job offers. However, during the interviews taken for the present study, it became clear that compensation is not the only

important variable for retention. The respondents who had recently switched to different jobs talked about what elevated their intention to leave were related to lack of recognition and job satisfaction.

A 33-year old, male respondent, who had changed his job in the Software industry, six months ago, disclosed that though his remuneration was quite good in his previous company, he got disinterested at the way other mediocre employees got the same appraisal as the hard-working ones; and, how the work assignments would tend to become boring and lacked challenges after a year or so.

Another 29-year old female respondent, who had joined her new marketing job a year ago, said that irrespective of a long and hectic work schedule, the amount of training that her previous organisation used to impart was too little; and in her current organisation, she was receiving adequate amount of training for sufficiently long durations and this made her feel motivated.

These interviews generated some interesting observations; for example, a few of the respondents admitted that even though they had no problems with their employers and were completely satisfied in their job roles, they took spontaneous decisions of switching their job, sometimes by influenced by their friend's advice, or by chance.

4.2 Exploring the thought process of the modern-day Knowledge Worker

This study tries to identify the major factors of retention among the knowledge workers in Jharkhand. The responses yielded by the interviews were analysed thematically in order to bring out the major contributing factors for the same.

The social image held by an organisation emerged as playing an important role in retaining its employees, as one of the respondents, a 37-year old male who completed a good four years with his current organisation in the media and entertainment sector very eloquently expresses in one of the interviews, that he gets a strong feeling of organisational association because of the regular CSR activities taken up by his organisation.

Hygiene factors scored lower in retention factor for the knowledge workers, in comparison with

the intrinsic rewards which improved their job satisfaction and kept them motivated to remain loyal to their present organisations. According to a 43-year old female respondent, who had been working in her organisation in the media sector for the last four years, even if another job promised to have a better pay but was devoid of challenges, she would not trade her current organisation for that one, since for her the satisfaction and the recognition that her job provided with was far more important than pay package. So, through the present study it becomes known that for knowledge workers who were interviewed, the other important retention factors are- career path charted by the employer, positive relationships with the supervisor, a level of autonomy in job-related decisions, and challenging work.

The hygiene factors viz., workplace infrastructure, compensation, medical benefits for family and employee, etc. came a little lower in the criteria for important retention factors.

V. DISCUSSION & MANAGERIAL IMPLICATIONS

The area of employee attrition and retention has been a globally researched field and boasts of heavy enquiry and analysis into recognizing the major contributing variables for the retention of critical employees in an organisation for a longer time period; yet it remains an important cause of concern and the war for talent continues.

Some strong determinants were explored in the present study, albeit the sample of study was small and the scope of study was also not too broad in context. It was confirmed through this study that the present-day knowledge workers feel more inclined to remain loyal to their organisation because of the intrinsic rewards. Also, they are more content with their work-lives if their organisations hold a positive social image in the eyes of the public and the government.

One of the valuable managerial implications of this study is that when the knowledge workers are provided with a work environment where the intrinsic rewards are present, they are more likely to remain in such organisations for longer periods of time.

VI. CONCLUDING REMARKS, LIMITATIONS OF THE STUDY AND SCOPE FOR FUTURE RESEARCH

The study sample was focused upon maximum variation sampling. Therefore, it can be said that the sample did not numerically represent the knowledge workers of Jharkhand. The interviews had the least amount of interruption from the interviewers' sides and consisted of free flow narrations by the respondents.

The present study can be considered as a groundwork for further research into the additional variables which affect knowledge workers in the whole of India. However, this is a qualitative interview study with little scope in the area of views related to some of the more important questions like those about the quality of work life, decision-making styles, how their on-the-job experience affected the respondents' personal lives, etc. A more detailed study in these areas can be made to gather more insights; and further quantitative enquiries can be made on the same lines.

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