



A Study of Retention of Employees through Knowledge Management in Software Industry

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ABSTRACT: Human Resource is considered to be one of most effective and crucial assets of an organization. In recent dynamic era of technological advancement, the training and maintaining of skill full employees is one of most challenging tasks for the organization. Generally, the employees within the organization are imbibed with both explicit and tacit knowledge. This knowledge provides a foundation base to the organization hence their maintenance is essential for the organization such that a pool of knowledge worker base could be made. Securing and retaining skilled employees is a major concern area and plays a very important role within any organization, since employee's skills and abilities are central to a company ability to be economically competitive. Retention of key employees is critical for long term growth and health and success of any organization. Employee retention matters as organizational issues such as training, time and cost involved, lost knowledge is involved. Thus, retention involves basically environment, growth which is an integral part of individual career, compensation which is largest part for retention of employee, and relationship between reward and recognition, & support.

Keywords: Knowledge management, employee retention, organization, reward and recognition

INTRODUCTION:

“KNOWLEDGE HAS BECOME THE ECONOMIC RESOURCE AND THE DOMINANT-AND PERHAPS EVEN THE ONLY SOURCE OF COMPETITIVE ADVANTAGE.”-**PETER DRUCKER**

Knowledge is the most essential source of creating a learning organization. In this 21st century, knowledge is considered to be the foundation of any organization as there is a shift from being industrial economy towards a global economy which is totally an information driven based on technological advancement. It has become very vital for upcoming millennial and alpha generation to make them aware and available with the right use of the knowledge base and providing them with the information base so as to enhance the productivity of organization and also to prevent them from being trapped in information fishing. Knowledge management solutions enables the organisation to make use of latest technologies and identification of knowledge loss areas and also helps in integration of job requirement with the career path so as to help in augmentation of talent acquisition, employee retention and employee engagement. In today's scenario of dynamic changes and due to generational disparity, it has become very essential for the organisation to understand their employee and their skills and timely monitoring and upgradation of their abilities & its recognition is required so as to retain them and enhancing their engagement.

Human resource is the most vital part of any organisation and their retention is one of the most challenging tasks being faced by the organization. In this global era of being technology driven, it has become very difficult for the software industry to retain their employees. Thus, proper dissemination of information and their correct use by the employees will help in creation of knowledge base. In recently deloitte survey 2022, Global Human Capital Trend Study it was found that 52% of the respondents stated workforce movement as a driving force behind proactively developing knowledge management strategies. In a survey of 286 people working in knowledge management in several industries has found that its proper implementation helps in quicker dissemination of information, enhances staff competency, along with customer satisfaction and many more.

Therefore, KM helps in building an employee's base, as IDC estimates that Fortune 500 companies lose \$31 billion due to improper dissemination of knowledge within their organisation. Thus, studies estimate that improving access and availability of information their employees would help in retention of employees.

EMPLOYEE RETENTION:

Employee retention refers to all those practices adopted by the organization to retain its employees and prevent any kind of voluntary or involuntary movements of the workforce as it has a direct impact on the performance of the organization.

Employee retention is one of the very crucial and vital tasks for any organization. Retention of the most desirable employee is a boon for the organization as it helps to gain a competitive advantage over its competitors. In the literature it has been found that it has been the challenging task of employee retention as increasing job mobility is at its peak (O'Neil, 2005) and coupled with the retirement of baby boomers. Thus, employee retention is the organization's ability to prevent employee turnover as it is considered to be a priority in the leading organization. In order to minimize hiring loss, proper management using several strategic actions so as to keep the employees motivated would help in their retention.

Components of retention management

- **Employee Engagement:** Employee learning, their development, engagement and performance management depends on the organization's ability to manage and share knowledge. A flexible and centralized knowledge management system will help in enhancing the employee's engagement which will help in the retention of employees thereby reducing the overall turnover rate and other costs associated with it.
- **Employee Participation:** Employees' active participation in any organization is only possible through wider dissemination and accessibility of the information which is only possible through proper building of a proper knowledge base.
- **Job Enlargement:** Job enlargement is one of the best ways of pooling talent towards new skills and upgrading along with by providing them with several tasks and responsibilities which enhances their personality thereby motivating them towards attainment of both individual and personal goals; hence it helps in retention.
- **Competency Mapping:** Competency mapping helps in performance management as it identifies the strengths and weaknesses of the employees which helps an organization in better creation of training programs for matching the skills of employees with the organization's goals. Thus, the proper knowledge management system has to be built up so as to help in identifying and accessing their skills and competencies so as to identify the gap between job success and work roles.

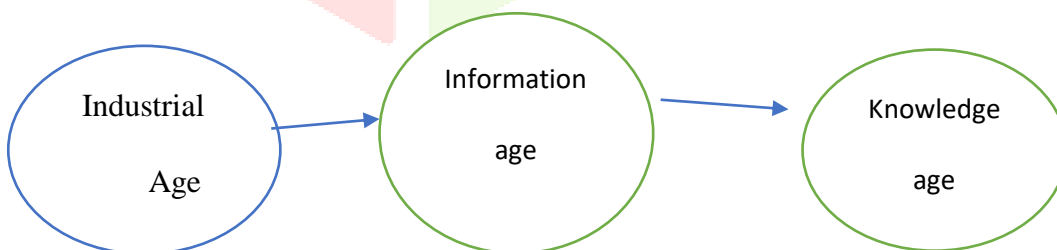
Retention management strategies:

In today global economic scenario, people management is one of essential task for the organization to accomplish successfully as employee retention is major task for determining organization success.

- Proper leadership and management behaviour.
- Providing ample career and skill upgradation opportunities.
- Flexibility employment
- Proper recognition and reward ;360 performance appraisal
- Enhancing employee engagement and participation.
- Conducive corporate culture and accessible work environment.
- Facilitate talent mobility and providing growth opportunity.

Knowledge Management:

Knowledge management is an extension of traditional philosophy of business. In traditional phases, land, labour and capital was considered to be the most effective and efficient for success of an organization but in recent changing paradigm information has played a very vital role in retaining the minds of talent pools and utilizing them for the innovation by providing them with the adequate atmosphere and lucid infrastructure within the organization and its access. Thus “knowledge management is the art of creating value from an organization intangible asset.”



Nonaka and Takeuchi have categorised knowledge into two forms i.e., explicit knowledge which is a kind of formal knowledge available in the form of documents whereas tacit knowledge is a kind of knowledge that is gained by an individual through experience.

KM aims at sharing of knowledge by linking people with people and information too such that by converting tacit knowledge into information by using both traditional methods of seminars, workshops etc; along with by using information systems which are easily accessible and stored in a database.

Components of knowledge management

- **HRIS**-The HRIS (human resource information system) is an application which automates several important human resources knowledge-based processes which helps in forming effective strategies thereby saving managers time through these automated processes. It facilitates double loop learning feedback which helps in gaining a knowledge base and retention of employees.
- **HR ANALYTICS**-HR analytics is considered as top priority for people oriented and where teams of people are focused upon. It is an intentional collection of data on workforce and teams which provides useful insights of several HR metrics such as time to hire, cost incurred, retention rate, ROI for each employee etc. which helps organisation in providing a knowledge base and effective strategic decision making for effective employee retention.
- **HR EVALUATION**-HR evaluation helps in providing a knowledge base by providing feedback and documentation about an employee's performance in a definite time period so as to identify potential of training and development and also helps to assess their job performance which ultimately helps organisation to assess the worth of employee towards organisation in terms of creating better pay structure. Thus, for better retention of employee better job pay structure has to be formulated so as to retain that pools of talent and avoid hiring costs and knowledge loss too.
- **HR ACCOUNTING**-HR accounting helps in identifying the potential of employees in monetary terms so as to provide a knowledge base for transfer, promotion, demotion and ultimately in retention of employees. Thus, it helps in talent acquisition, talent management and talent retention.

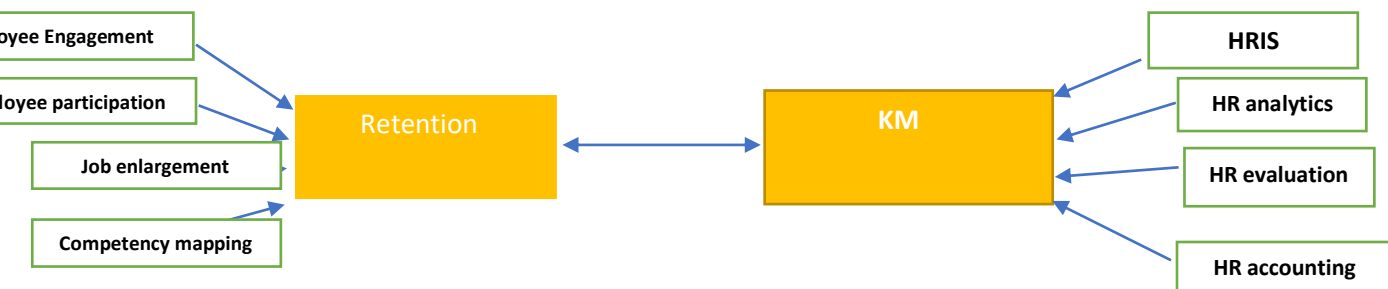
EMPLOYEE KNOWLEDGE RETENTION

Today's global era has prompted so many technologies and is also embedded with lots of information such that managing those tacit as well as explicit kind and retaining them is the need of an hour. McCann & Buckner (2004) in their study has emphasised on the three important aspects to be considered for knowledge worker retention:

- Recognition of leadership within the organization is very important concern for strategic decision making and for the relevance of knowledge management.
- cultivation and promotion of learning culture would promote knowledge management and employee retention within the organisation.

- Human resource practices and programmes should be in alignment with the knowledge management process.

MODEL INTEGRATING KM WITH EMPLOYEE RETENTION



APPROACHES TO KNOWLEDGE MANAGEMENT:

There basically exists two types of approaches being adopted by the organizations depending on whether it uses tactical or strategic processes.

- CODIFIED APPROACH:** It is defined as people to document approach as people have access to information being available in the form of electronic database to all the people in the organization and it make use of explicit approach.
- PERSONALISED APPROACH:** It is person to person approach in which information is being shared between provider and user through face-to-face communication and is not available in the form of depository and is used by organizations for strategic processes.

LITERATURE REVIEW

Derry & Jago (2015) In their paper titled as Revising Talent Management ,Work life Balance & retention strategies had focused on retention of talent workforce as retention is concern for the organization and its application in a best way so as to produce best result and it could be possible only through creation of a learning culture , maintaining work life balance ,fostering innovation, motivating employees, recognising individuals and developing leadership traits along with by providing an open atmosphere ,free access to information available within the organization such that talent can be retained through proper management of knowledge their sharing ,and its wider dissemination to right individual would benefit the organization at glance.

Surbakti & Ta'a (2016), in their work had uncover certain dimensions of organizational context through knowledge management and business intelligence components .Knowledge management is opted as a strategic tool for execution and motivation of employee within the organization so as to create and enable the creation of good knowledge worker base .Thus this paper had identified as important antecedent of employee retention that directly leads to have positive impact on retention of employee and enhancing their performance within the organization.

Kumar & Mathimaran (2017), in their paper entitled as Employee Retention Strategies-An Empirical Research had discussed on importance of human resource within the organization. Human resources are considered to be the lifeblood of any organization. Securing and retaining such talent knowledge worker base had crucial and challenging task for the organization. Thus, retention of skilled workforce had been central to company because company knowledge and skills are competitive. In their study it was found that the certain factors affecting affecting the retention of employee and job satisfaction too.

Bhamu & Barad (2018) in their work discussed about the importance of human resource as a vital asset for the organization hence their proper retention and management within the organization strategically is essential for the efficient and effective utilisation of resources. Thus, an organization should develop a good retention policy and strategically knowledge management base so as to satisfy and retain these pools of talent within the organization

Kamalveni et.al (2019), in their study has focused on emphasising the importance towards the engagement and participation of employees as it would directly increase the employee retention and will also reduce the probability of leaving an organization and in order to enhance the engagement the concept of reward and recognition should be made as it would help in building a better employer and employee relationship.

Edeh et al. (2022) in their work has concluded about the importance of knowledge management in retention of employee. In today's digital economy the biggest challenge lies with the organization is retaining the talent and their management, therefore, in order to overcome such barriers the focus should be on proper deployment of knowledge management strategies for the employee retention and this could be attainable through proper management of knowledge and human resource by HR professionals so that the hiring and talent expenditure could be avoided and employee retention as an asset for the organization could be made.

KRISH SHANKAR (Business Standard, 17 June, 2022), Infosys HR development group had said “Most employees are leaving due to external market demand according to our analysis, quoted The Economic Times. He added, it is also due to other personal reasons such as location preference and flexibility (in work) post pandemic”. Hence strategic management of HR policies for its employees and building up of a good knowledge base is vital for the growth of an organization and for avoiding several hiring and training cost as well as in building an employee base as knowledge base.

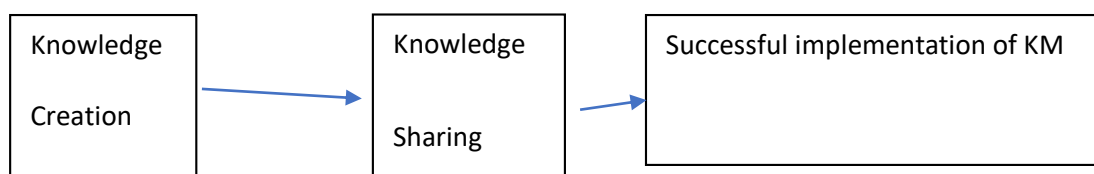
KNOWLEDGE MANAGEMENT POLICY OF INFOSYS & TCS AND THEIR ATTRITION RATE:

In recent scenario, so much talent acquisition has taken place at the unprecedented level which has led more challenging task for software industry to provide an adequate infrastructure for knowledge dissemination their transfer and its use. The basic challenges lie with skill fitment for job responsibilities and skill cliff and hence managing these two with current generation is need of an hour to exhale in employee retention and building knowledge base infrastructure.



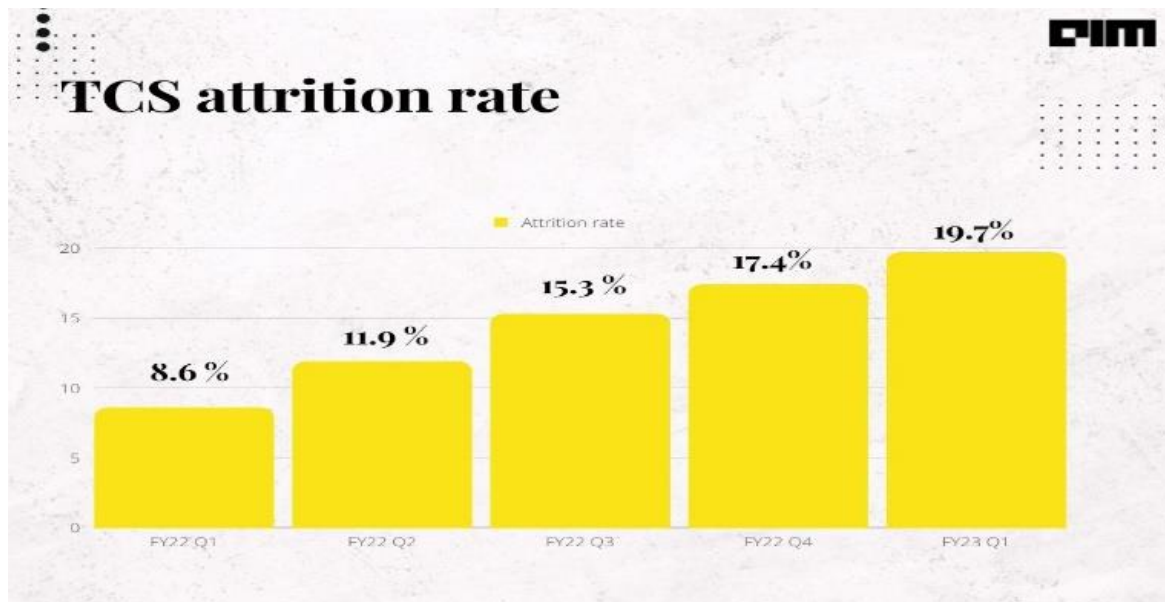
- TCS-Tata consultancy services foundation took place in 1968. It is one of the largest IT firms in India. The main aim of TCS lies in rendering solutions to businesses, outsourcing and IT services. It is considered to be one of the best retention policies inscribed in it which helps it better employee engagement and their retention rate which has direct impact on customer building, revenue and financial aspects to flourish.

TCS makes use of **knowledge value chain model** which makes use of several range of practices and tools to capture valuable **knowledge** and delivering them to the employees and persons associated so as to be benefitted from them.



After covid 19 since the concept of work from home took place which now has become major task to handle for the organization. In order to have good market share and best service TCS makes use of hybrid model of working associated independent location agile methodology.

TCS has introduced a 25*25 policy which that not more than 25% of company associates work from office at any given point of time.



TCS has also being making use of retention bonus of INR70000 payable on annual basis as an appreciation for service continuation and it also enhances engagement of its employees which ultimately helps in retention of employees.

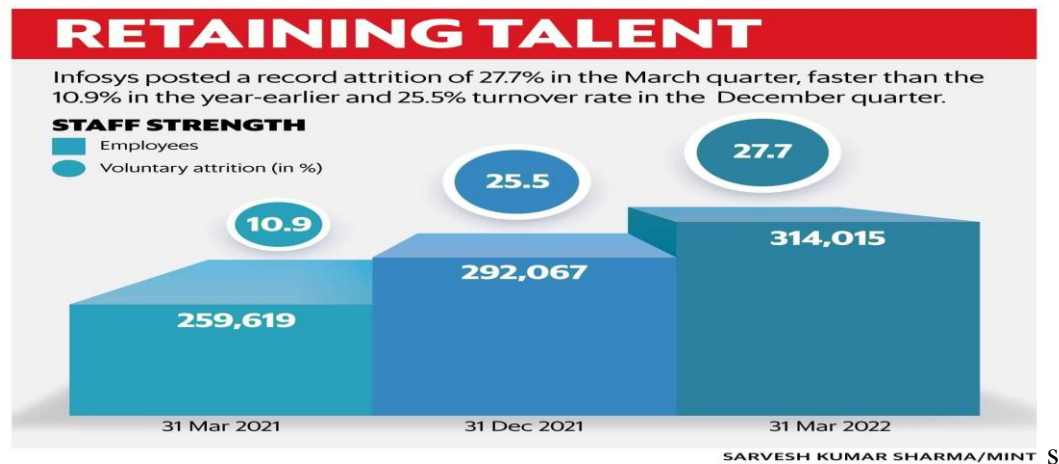
The most important concern is availability of these knowledge to its employees so that they can be benefitted from it. Here comes the role of knowledge management in an organization's initially introduced the concept of knowledge management in 1995 and thereby in year 1998 a team was formed referred as "corporate groupware" and within a year in 1999 TCS launched KM pilot.

Knowledge Management system of TCS were so compatible that its employees can access knowledge repository using intranet from both branch and corporate servers. It has also being available with knowledge base process asset libraries which was later on merged with Ultimax supported by sub portal which helps the company to store training materials for enhanced production.

TCS also makes use of several collaboration tools such as wikis blogs etc for providing highly innovative solutions.

- **INFOSYS**-The knowledge management at Infosys is done using a formalized structure with so much of talent reaching at an extreme end that it has become more challenging task for the industry to cope up, hence knowledge management practices in the enterprise helps to overcome it.

Infosys KM practices involves **end to end offerings** so as to access the requirement of knowledge within the enterprise and their management which helped in building a knowledge enterprise.



INFOSYS makes use of practices such as

- Identifying the current maturity and defining the targets
- Providing knowledge base as foundation infrastructure
- Content development Technology enablement

KM solutions at Infosys make use of latest technology and also identifies knowledge loss areas. Infosys works on integration of job requirement with career path as it helps in both career advancement and fulfilment of both individual and organization goals.

INFOSYS works on understanding roadmap of Knowledge management, process consulting (360-degree integrated process, strategy alignment with skills & so on), and third most important concern that is developing learning and training skills.

CONCLUSION-RESPECT, REWARD AND RECOGNITION are the 3R ESSENTIAL FOR THE RETENTION OF EMPLOYEE.

The human resource is considered to be the most essential and vital for the organization. Securing and retaining such talent is a major concern in current scenario. Knowledge management plays a very important role in building up of employee base. Thus, through a proper knowledge management base anchored with good

retention policy such as job satisfaction, co-worker support, leadership, reward, performance appraisal and conducive workplace culture etc. All these have positive impact on retention of employee and in organizations performance too.

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