

# Attrition, Retention and the Indian Knowledge Worker's Experiences – A qualitative enquiry

**\*Dr. Soumitro Chakravarty, Faculty member, BIT Mesra, Lalpur Campus, Ranchi, India,  
soumitrochakravarty123@gmail.com**

**Dr. Umesh Prasad, Faculty member, BIT Mesra, Lalpur Campus, Ranchi, India,  
umeshprasad\_bit@rediffmail.com**

**\*Corresponding Author**

**Abstract - Effective talent management to ensure that an organization continues to function effectively in an era of cut-throat competition has been an issue of immense interest and contemplation among both researchers, policy makers and practicing managers all around the globe over the last so many decades. There has been a great deal of research in the area that explores the various dimensions of employee attrition and retention and various studies have proposed possible strategies for effective talent management as well. The present knowledge economy where knowledge workers are the drivers of competitive advantage for any firm has brought about additional challenges owing to the enhanced mobility of this category of employees. The present working paper seeks to explore the various dimensions of attrition, retention and related issues among the modern knowledge workers in developing economies relying upon a qualitative enquiry conducted among knowledge workers in the Jharkhand state of India.**

**Keywords- Knowledge workers, Employee Attrition, Retention; Strategy, Intrinsic Rewards, India.**

## I. INTRODUCTION

In modern times the retention of knowledge workers is an issue that is very important for all organizations around the globe (Hislop, D. et. al. 2018). Attracting and retaining the most valuable employees is of critical importance for organizations because employees leaving jobs prematurely in search of better options elsewhere leads to a great deal of financial loss for the concerned organization taking into account the investments an organization makes in providing the necessary skills and training to an employee (Terera, S. R., & Ngirande, H. 2014). Apart from the stated financial losses incurred, employee turnover also influences an organization negatively in terms of reduced morale among existing employees, lesser productivity, newer investments in terms of hiring new employees for the vacancies created and training them all over again and so on (Tarigan, V., & Ariani, D. W. 2015). Further, there are hidden costs associated with employee turnover in the sense that the employees leaving the organization carry with them their gained expertise, skills and on-job training outputs to other (and at times competitor's) organizations and this leads to a potential loss of competitive advantage for the parent organization in the longer run (O'Connell, M., & Kung, M. C. 2007).

Therefore, it will not be an overstatement to say that an organization's ability to retain its knowledge workers is a very critical determinant of its success in the long run.

Despite the fact that employee attrition continues to be a cause of concern there has not been too much empirical research conducted in the area that explores the key determinants of an effective retention policy for key employees of an organization in context of developing economies like India with a specific focus upon the experiences of knowledge workers who constitute the backbone of competitive growth for the organization they work in.

The present research study tries to address this research gap by trying to explore the views of knowledge workers in India employing a purely qualitative approach and it relies upon an intensive review of literature done in the subject and also upon empirical data collected from select organizations in India that has substantial representation of knowledge workers.

## II. LITERATURE REVIEW

Among the large amounts of existing literature on the subject, an intensive review of literature was carried out with a view to identify the most important variables for the purpose of the present enquiry.

### 2.1 Knowledge workers and the emerging market dynamics:

The term 'Knowledge Worker' was for the first time used by Drucker (1974) and his interpretation of the term was that it referred to those employees who have the privilege

of owning knowledge as a very powerful resource and this privilege gives them the freedom to carry and transfer this knowledge to other employers if they choose to do so. This freedom of mobility of knowledge workers is a cause of great concern to organizations as knowledge workers switching jobs leads to a serious loss for the parent organization in terms of losing out on the accumulated knowledge of the workers moving to other organizations and subsequently this results in a loss of competitive advantage as well (Liebeskind, J. P. 1996).

In context of a developing economy like India, the attrition rates of knowledge workers in the sectors of Information Technology and Business Process Outsourcing (BPO) has been on the higher side at 30-45% (Budhwar et. al. 2006).

Given the present scenario, the requirement of an effective retention policy is acutely felt.

### 2.2 Turnover and its various dimensions:

The term turnover has been defined in various ways by different researchers. The most practical interpretation of the term can be the replacement cycle that incorporates hiring and training of new employees to fill up a vacancy that is created by existing employees leaving their jobs (Hom, P. W., & Griffeth, R. W. 1995). The term 'Labour Turnover' is often used in academic studies and there has been a huge amount of research carried out on the same (Bucklow, M. 1963; Gregg, P., & Wadsworth, J. 1995; Schlicht, E. 1978). Turnover can be voluntary (when initiated by the employee based on reasons like joining a new organization owing to job dissatisfaction in the present organization) or involuntary (when initiated by the employer under situations like retrenchment decision, dismissal on disciplinary grounds and other issues) (Stumpf, S. A., & Dawley, P. K. 1981).

Research in the area endorses the view point that for any organization today, retention of key talent is one of the biggest challenges in human resource management practices.

### 2.3 Employee Turnover and its predictors:

Any retention policy that aims at ensuring retaining the key employees of any organization can be effective only when the causes of employee turnover are clearly identified and understood.

Research has shown that a number of competing variables are at play in terms of determining turnover causes and interestingly in many cases on studies involving exploration of the predictors in turnover, variance causes are largely unexplained as well (Lee, T. W., & Mowday, R. T. 1987; Harris, R. B. et. al. 2007).

The most widely reported outcomes regarding identification of predictors to turnover are again very diverse. For example, job dissatisfaction is widely reported as a very consistent cause of turnover while studies are

also there that state that even when employees were satisfied with their jobs, some cause which is often termed as a precipitating event or shock, made them leave their job and switch to other organizations (Griffeth, et. al. 2000; Steel, R. P., & Ovalle, N. K. 1984).

Further, organizational commitment, employee loyalty and environment within the organization also influence an employee's decision to leave or to stay on.

### 2.4 Retention: Exploring the possible determinants

A review of existing literature was carried out to explore the possible determinants of an effective retention policy for knowledge workers which could ensure that they stay on for longer periods of time in the organization so that it is mutually beneficial both for the organization as well as the employee. A good social reputation of an organization is reportedly an important aspect that enhances retention of key employees. Active corporate social responsibility (CSR) initiatives carried out by organizations indicates a feeling of pride, well being and a sense of commitment towards the organization (Sharma, S., Sharma, J., & Devi, A. 2011).

Moreover, recent research studies also emphasize the importance of intrinsic rewards for employees and point out this variable as a very important determinant that influences the decision of employees to stay on in any organization (Smith, B. D. 2005). The term intrinsic reward is often used in context of employee engagement and it broadly signifies a concept which brings about a positive psychological state among employees with respect to the work they are doing in the organization (Harter, J. K., Schmidt, F. L., & Hayes, T. L. 2002). If employees experience positive feelings through the work they perform it actively contributes towards a bond with the respective organizations they work in (Bhatnagar, J. 2007).

Intrinsic rewards lead to intrinsic motivation and the same is very closely linked with some other dimensions like taking pride in one's organization, management support towards employees and the employee's perception of the effectiveness of performance management practices employed by their respective organizations and so on (Eisenberger, R., & Aselage, J. 2009). Manager-employee relationships also play a very crucial role in employee's experience of intrinsic rewards.

Skilled employees of any organization seek valuable and challenging experiences at work with opportunities to grow and develop further. Poorly designed performance management systems can trigger employee attrition. An effective performance management system which properly guides an employee along the right career path can effectively lead to the experiences of intrinsic rewards (De Waal, A. A. 2003). Intrinsic rewards therefore is an extremely important aspect of retaining key employees in any organization and among the numerous benefits of the

same are enhanced work satisfaction levels, greater commitment towards the organization, increase in performance, greater innovativeness towards work practices and reduced stress levels among the employees.

In addition to the intrinsic rewards which take into consideration the psychological well-being associated with one's work, factors external to the jobs which are also referred to as hygiene factors play an important role as well in influencing the decision of employees to stay on with any organization (DeShields Jr, O. W., Kara, A., & Kaynak, E. 2005). Hygiene factors typically include aspects like satisfactory compensation policy, facilities provided to employees and their families and other related issues. It can be said that hygiene factors reflect the objective side of job satisfaction while the intrinsic rewards take into account the subjective aspect of the same.

Therefore, the importance of hygiene factors as a crucial determinant of employee retention cannot be undermined and experiences of satisfaction with hygiene factors leads to an enhancement in the experiences of intrinsic rewards.

### III. RESEARCH

#### 3.1 Need for the study:

Despite a large number of studies carried out in the fields of employee attrition and its negative impact upon an organization, there remains a lack of research studies that look into the possible determinants of employee attrition and retention with specific focus upon the knowledge workers experiences and expectations especially in context of a developing economy like India which is characterized by a great deal of diversity in its work force.

The present study tries to address this gap and it relies upon empirical data collected from various organizations in the Jharkhand state of India which is among the most rapidly developing states of India.

#### 3.2 Rationale behind selection of the study location:

The reasons behind choosing the state of Jharkhand for the purpose of this study are the facts that Jharkhand is among the most rapidly developing smaller states of India and no study till-date has been conducted in this region on the subject. It is expected that the present study with its narrow focus and scope will be beneficial in terms of bringing out new insights and subsequently also set a platform for similar studies across other states in India with a wider scope and coverage in the times to come.

#### 3.3 Population and sampling specifications:

The population for the given study consists of all knowledge workers in the Jharkhand state and the term was interpreted along the same lines as reviewed in literature as those employees who have the privilege of carrying specialized knowledge and skill related to their work.

Further, the review of literature also showed a trend that most of the studies conducted till-date were based on a single profession such as Information Technology employees, Marketing persons, Medical staff and nurses and so on. The present study through narrow in scope and focus takes into account various sectors with employees being drawn from across a broad range of industries.

The dominant sectors of Jharkhand which have a reasonable population of knowledge workers were identified from a secondary research that was conducted and it was found that Business Process Outsourcing (BPO), Software, Marketing, Retail and Media were the most dominant sectors in the state that had a sizeable number of knowledge workers on their pay-rolls.

The selection of the respondents was done through a purposive sampling with the criteria being that the selected respondents satisfy the definition of knowledge workers and those employees were preferred who were having an experience of 0-5 years in the organizations they were presently working in. This was done with a view that a study on attrition, retention and knowledge workers experiences will be more contextual for the specified group as employees with 5+ years of experience are lesser likely to switch jobs due to their long tenure with the existing organizations.

Taking into account the scope and focus of the present study a small sample size of 100 employees were taken up. The break-up of the same is as follows:

**Table 1**

*Profession-wise break-up of the selected respondents*

Specification	Number of Respondents	Mean Age
BPO sector	30	29
Software	30	33
Marketing	20	37
Retail	10	42
Media	10	47

(Source: Survey Data)

The variations in terms of numbers representing the respondents included were largely due to the differences in quantitative presence of knowledge workers across the given sectors.

#### 3.4 The study objectives:

The study was conducted with a broad objective of exploring the experiences of knowledge workers in India and gets their views regarding attrition and retention. The specific objectives were:

1. Explore the reasons that prompt a knowledge worker to switch jobs.
2. Identify the determinants of an effective retention policy most suited for knowledge workers based upon



the information gathered through the narratives of their experiences.

### 3.5 Research Design & Methodology adopted:

A qualitative approach was employed for the given study with the major focus being upon the narrative interviews conducted with the respondents in an informal setting away from the work-place through prior appointment at their homes or at times in other places as desired by the respondents. The approach was kept qualitative keeping in mind the objectives of the present study and thereby quantitative dimensions were given lesser degree of importance.

The emphasis was majorly upon respondents telling their own viewpoints related to attrition and retention with as little interference from the interviewer as possible. The narrative session was then followed up by the respondent being administered a semi-structured questionnaire aimed at further exploring some specific issues related to the study. Majority of the respondents disclosed their frank views about their career and expectations in course of the conducted interviews. Attention was paid to ensure that the respondents felt as comfortable as possible with the setting being informal in order to ensure that the views obtained were free, frank and subsequently relevant for the study.

The interviews were transcribed taking due care and precautions, cross-checked by the researcher and also the approvals of the respondents were sought before the analysis was carried out. The respondents were assured of their anonymity and were also well informed about the manner in which the information furnished by them were to be used for the purpose of research.

## IV. ANALYSIS

The interview transcripts which constitute the back-bone of this study was read and re-read multiple numbers of times and scrutinized as carefully as possible and subsequently coded to facilitate a comprehensive thematic analysis of the contents gathered. Despite the approach being quite time-taking the task was carried out in a comprehensive manner to ensure that the objectives of the study were not compromised with.

Significance tests aimed at exploring relationships within the data was not used as the study employed purposive sampling and the sampling was done with the objective of ensuring inclusion of widest possible range of professionals meeting the definition of knowledge workers and therefore emphasis was not upon ensuring numerical representativeness but upon including varied view-points to the maximum possible extent within practical considerations.

## V. RESULTS

### 5.1 The varied reasons of job switch

The need for a higher pay package is not very uncommon as a reason for switching jobs, but various respondents who changed jobs in recent times spoke about the lack of job satisfaction and recognition as the major reasons which prompted them to switch jobs.

“My previous company paid me well. The job security was also very high. However, the routine assignments did not appeal to me after a year or so and I also observed that hard working employees like me are being treated in equal footing like the mediocre ones.” (33 years old male respondent, six months into the new job in the software sector)

Some respondents also opined that the lack of training was a major factor that led them to leave their jobs prematurely.

“My previous company had a very demanding schedule with long working hours but it never bothered to train new recruits like me properly. I feel this reason was a major factor in my leaving the company and joining the present one which has provided me better training for a fairly long period of time.” (29 years old female respondent, one year into the new job in marketing)

Another interesting insight was that a few of the respondents changed their jobs without any tangible reason or a great deal of thought about identifying the reasons behind the same. The factors that decisively induced them to change their present jobs in a relatively unexpected manner (even in their own view) ranged from new openings brought to their knowledge through peers or reading about a new opening through various sources like social networking sites.

“I would say that I was happy with my previous employer in almost all aspects but a close friend of mine made me aware of an opening in his firm and I applied for the position. As luck would have it, I was selected.” (34 years old female employee, three months into the new job in the Retail sector)

“I was casually browsing through social networking sites as an attractive advertisement caught my attention. Upon clicking I found that the advertisement was for an opening that exactly suited my skills and experience and hence I chose to apply. In few weeks time, I left my previous firm and joined the new one.” (47 years old male respondent, Nine months into a new job in the media sector)

### 5.2 Exploring the psyche of the modern day Knowledge workers

The interviews conducted with the respondents tried to understand and explore the expectations of knowledge workers in context of those crucial aspects that could lead them to stick with an existing job and it resulted in a wide

variety of responses which were thematically analyzed and the dominant themes emerging are presented in the subsequent sections.

A sizeable section of the respondents reported in very clear terms that their perceptions of the organizations they work for are very significantly influenced by the social image of the company.

"I really relate to a firm that is active in doing its bit for the society. The corporate social responsibility initiatives carried out actively by my employer over the last few years is an important reason for me sticking with my present job." (37 years old male respondent, four years with his present organization in the media sector)

Further, the qualitative dimensions of retaining knowledge workers were brought to the lime-light by many respondents who reported that intrinsic rewards motivate and drive them to give their best for an organization and it also leads them to stick with their respective organizations. Hygiene factors though an important aspect for employees were accorded lesser importance by knowledge workers interviewed.

"At this stage of my career, it is the fulfillment that I derive from doing my work that keeps me going. I won't change a job that I feel provides me recognition and satisfaction for one that pays me more but is not challenging enough." (43 years old female employee, four years with his firm in the media sector)

Among the other important variables influencing retention among the knowledge workers interviewed were identified as opportunities for challenging work, an acceptable degree of freedom to work independently, cordial relationships with boss and colleagues and an effective career planning strategy by the employer.

The variables that appeared to be considerably lesser in importance included mostly hygiene factors like medical benefits extended to the dependents and self, transportation facilities, the infrastructure of the work place and inadequate pay.

## VI. DISCUSSION & MANAGERIAL IMPLICATIONS

Lots of studies have been carried out on employee attrition and retention on a global basis and despite exploring the area in depth it has been documented by researchers that irrespective of all efforts initiated to retain key employees for longer periods of time employee attrition remains a major cause of concern and therefore it remains the single most important agenda for effective talent management.

The present study though small in terms of sample interviewed and narrow in scope has been successful in exploring some crucial dimensions in context of knowledge workers in Jharkhand and the most important insight was that in case of knowledge workers the role played by intrinsic rewards as a determinant for ensuring

employees stay in a given organization has really gained in importance in the modern times. Further, the social image of an organization and employees taking pride in being part of such organizations provides a sense of meaningfulness to employees in context of their work-lives.

The most important managerial implication emerging from the present study is that in context of knowledge workers managers should understand that hygiene factors alone cannot be adequate reasons for ensuring retention. Providing knowledge workers with an environment where in they experience satisfactory intrinsic rewards is more conducive to reduce intentions to leave the organization.

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

The study relied heavily upon the interviews conducted with the respondents relying upon free flow of narration with minimum of interviewer interruption and the focus was also on maximum variation sampling. The chosen sample therefore cannot be interpreted as numerically representative of knowledge workers in Jharkhand.

Further, many important questions related to work-life balance, impact of on-job experiences in personal lives of respondents, changes in temperament and decision making styles and so on were beyond the scope of this small qualitative interview study.

However, it is earnestly expected that the present study will be successful and instrumental in preparing ground for further qualitative as well as quantitative work by identifying and including a wider range of variables that are relevant in context of knowledge workers across different regions of India.

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