ROLE OF HUMAN RESOURCES, INDUSTRIAL RELATIONS AND LABOUR LAWS IN KNOWLEDGE MANAGEMENT

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"the ideas or understandings which an entity possesses that are used to take effective action to achieve the entity's goal(s). This knowledge is specific to the entity which created it."

Knowledge is "the fact or condition of knowing something with familiarity gained through experience or association". **Webster's Dictionary**

Knowledge management focuses on 'doing the right thing' instead of 'doing things right.' Knowledge management is also a framework within which the organization views all its processes as knowledge processes. In this view, all business processes involve creation, dissemination, renewal, and application of knowledge toward organizational sustenance and survival.

Organizational practices and approaches related to generating, capturing, and disseminating know-how and other content relevant to the organization's business by suitable means is called knowledge management. There are various factors for the use of knowledge management viz. Human Resosurces, Industrial Relations and Labour Laws. Knowledge sharing is a description of knowledge management which includes its commonsense comprehensibility along with a certain degree of inter-activity implicit in any sharing. It has also draw backs which include the possibility that even "sharing" is insufficiently interactive, and that it implies (falsely) that the existence of knowledge precedes the sharing process, thereby (wrongly) separating knowledge management from "innovation" and "research".

INTRODUCTION & BACKGROUND FOR KNOWLEDGE REQUIRED AND MISSIONS

The Chief knowledge officer / Knowledge Officer (CKO/KO) has the important mission of identifying knowledge within the company and encouraging workers to share it specifically, his or her main functions include the following:

1. **In-charge for institutionalizing knowledge management in the business as an integral part of the business processes and key business priorities. He is part of the senior management team of the company.

2. He will, in consultations with senior business and functional management, develop an appropriate knowledge management strategy and plans for the company and seek the approval from the Competent Authority. The KM strategy must be fully aligned to the strategic priorities and business goals of the company.

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3. He has to coordinate with the internal IT team, HR team and external KM consultants, where appropriate, and plan and help build an enabling frame work to implement KM.

4. He has to identify and focus on the implementation of the initial KM projects which have potential for quick results / success, so as to quickly build credibility for KM in the company. He will actively participate in the facilitation process for these initial projects.

5. He will focus on communication, both with participants in the approved KM projects as well as other managers at various levels, to ensure that there is a common understanding among all on what KM is all about - "a deliberate and structured approach to leverage collective knowledge of the enterprise, in

TECHNICAL SKILLS REQUIRED FOR A CKO

*   Broad knowledge of business practice in generals and the ability to translate technical information at the employee level

*   Dynamic interface, making effective use of technical and non technical elements in KM design, especially if the CKO is the chairperson of the KM team

*   Knowledge of information technology, information systems, software, and technology in general; knowing how information works and how it is transformed into knowledge

LAWS OF KNOWLEDGE MANAGEMENT

There are various laws / factors to be adopted for the knowledge management, some of these are:-

(a) Knowledge is a key to economic survival
In the new knowledge economy, knowledge sharing is increasing and Traditional hierarchical organizations cannot cope with fast-changing client demands unless they are able to share knowledge among employees, partners, and clients.

(b) Communities: heart and soul of knowledge sharing
Knowledge sharing only takes place on a significant scale where organizations have organized themselves into communities of practice.

(c) Virtual communities need physical interaction
Expanded technology has given the rise for exploring the possibilities for global communities operating in a virtual mode.

(d) Passion is the driver of communities of practice
The success of the industrial revolution and the modern enterprise in building wealth has been based on a rational engineering approach to problem solving.

(e) Knowledge sharing

Starting and implementing knowledge sharing in an organization must be done from inside, not outside. This means that using outsiders such as consultants to "kick start" or "do it for us" doesn't work.

(f) Storytelling ignites knowledge

As organizations start on their knowledge journey, they inevitably find great difficulties in communicating complicated ideas through abstract forms of communication.

OBJECTIVES / JOB DESCRIPTION - KNOWLEDGE MANAGEMENT AND KNOWLEDGE SHARING

The main objective of the knowledge sharing position is to help the organizations so that the organizations know-how, information and experience is shared inside and outside the organization with clients, partners, and stakeholders. The 'main objective for knowledge sharing include:-

- Promote knowledge sharing through the organization's operational business and processes;
- Promote collaborative tools such as activity rooms to facilitate sharing of ideas and work among internal teams and external partners;
- Provide support for the establishment and nurturing of communities of practice, including workshops, one-on-one guidance, and troubleshooting;
- Share experiences across communities of practice, business units, and networks on innovative approaches in knowledge sharing, including preparation of case studies;
- Help monitor and evaluate the knowledge sharing program, including external benchmarking and evaluation programs/opportunities;
- Help disseminate information about the organization's knowledge sharing program to internal and external audiences;

For sharing the knowledge skills in fields of Communications, Client Orientation, Drive for Results , Teamwork , Learning and knowledge sharing , Analytical Thinking and Decisive Judgment are essentially required.

KNOWLEDGE WORKER

A knowledge worker is who works for a living at the tasks of developing or using knowledge. For example, a knowledge worker might be someone who works at any of the tasks of planning, acquiring, searching, analyzing, organizing, storing, programming, distributing, marketing, or otherwise contributing to the transformation and commerce of information and those (often the same people) who work at using the knowledge so produced. A term first used by Peter Drucker in his 1959 book, Landmarks of Tomorrow, the knowledge worker includes those

in the information technology fields, such as programmers, systems analysts, technical writers, academic professionals, researchers, and so forth. The term is also frequently used to include people outside of information technology, such as lawyers, teachers, scientists of all kinds, and also students of all kinds.

Today, knowledge workers comprise a plurality of the work force. While at the beginning of the 20th century, unskilled labor accounted for about 90% of the work force, today in the 21st Century that figure is closer to 20%. As a result, the knowledge work force has become the linchpin to an organization's success, as the world morphs into a knowledge economy.

TWO MAIN TYPES OF KNOWLEDGE WORKERS (FROM INDUSTRIAL RELATIONS POINT OF VIEW)

From a practical perspective, it can be useful to consider two distinct types of knowledge worker, namely *'core knowledge workers'* and *'everyone else'*.

- Core knowledge workers are those in specific 'knowledge management' roles. Examples include Chief Information/Knowledge Officers, Knowledge Managers, Librarians, Content Managers, Information Officers, Knowledge Analysts, etc.
- 'Everyone else' constitutes all the other knowledge workers – doctors, nurses, dentists, pharmacists, managers, technicians, administrators, etc. In short, everyone in the NHS engaged in some form of 'knowledge work'.

VIEWS FROM LEADERS (INDUSTRIAL RELATIONS POINT OF VIEWS)

Today's competitive environment requires the ability to comprehend and manage vast amounts of information from multiple sources," said *Clare Hart, president and CEO of Factiva*.

"The move to a knowledge-based economy presents companies that recognize this early on with a tremendous competitive advantage," said *Andy Mattes, president and CEO of Siemens Communications*.

In today's environment, information workers have more options on how and when they work, and access to more tools to meet their work needs than ever before. It's exciting from a business, technology and innovation perspective to witness the greater productivity among individuals, teams and organizations in this new world of work and how it continues to evolve."

MANAGING THE KNOWLEDGE MANAGER

Most top managers recognize the value of managing knowledge. The answer depends on whether the CEO and senior management are prepared to make the position succeed. Today, in organizations that already have these technical and social networks, CKOs can take a more strategic perspective, scanning the enterprise to discover how they might improve processes and customer relationship

management as well as promote employee learning. Other senior managers might be able to see how knowledge can be better used in their particular units or functions, but the CKO can stand back and manage interventions that cross formal business boundaries, thus helping the enterprise as a whole. In organizations where cross-business and cross-functional interventions aren't likely to happen unless someone from the top team takes express responsibility for them, appointing a CKO would seem to be a good idea.

Since knowledge pervades every activity of many organizations, some CKOs have been tempted to launch numbers of interventions, which then failed to show clear results. Others have tried to give their role solidity by building a departmental empire, but the innate amorphousness of the position makes it an obvious budget target as soon as it fails to deliver. And if senior managers disagree on the purpose of managing knowledge, they may urge the CKO to focus on conflicting or low-value activities.

LITERATURE REVIEW

Knowledge Strategies

Most of the literature on knowledge assets has focused on calculating the value of the firm's knowledge. But what really matters is not the measure of knowledge. It is how to most effectively put knowledge to use. A knowledge strategy is the specific way a company optimizes the transformation of knowledge into a distinct competitive advantage. It is tied directly to the company's business and competitive strategy. Knowledge, particularly technical knowledge, plays an important role in most companies and many companies, such as research and professional service firms, have always had knowledge at their core. But companies frequently don't think through the specific logic – and subsequent organizational structures – of how to optimize that knowledge for competitive advantage. There are numerous knowledge strategies a company could follow. A few are listed in the following page.

Exploit Economies of Knowledge

Economies of knowledge occur when a company can amass a large enough body of knowledge about a topic that it can do things with that knowledge that other companies simply cannot do. A large pharmaceutical company, for example, has created networks that compile and compare datasets from many different drug development programs. Using those datasets, the networks can see weak patterns of compound effects, too weak to see in smaller datasets. As a result, they can identify subtle potential development opportunities and safety problems. This gives them an economy of scale in knowledge. Smaller companies can only do this by joining consortia of competitors to collaboratively share those datasets. While those consortia improve the quality of scientific analysis, they do not give any one

company a competitive advantage. To exploit economies of knowledge, a company needs specific organizational structures, including a strong set of cross-business unit networks to collect data from different operating units.

These networks need enough legitimacy to influence organization. It also needs some processes for creating common data formats, common analytic methods, and sharing data among operating units.

Concentrate Rare Expertise

Companies concentrate expertise when they link experts tightly enough to deepen the company's overall understanding of their area of expertise. Generally this involves collocating experts so they can have extensive, spontaneous and rich face-to-face discussions, collaborate on projects, and use each other as sounding boards for their own thinking. An oil company, for example, created a center of expertise on a certain kind of legal agreements. By allowing the lawyers and contracts specialists the freedom to informally share their experience from around the globe and collaborate on developing these agreements, they were able to draw on a wide range of lessons learned, giving the company a competitive advantage with this type of agreement. Of course, concentrating expertise is only a competitive advantage if the expertise is genuinely rare. In today's world of hyper-connectivity, average expertise can easily be accessed by any knowledgeable professional. Concentrating expertise on common knowledge may save some staff costs, but it is not likely to contribute to a true competitive distinction. As with creating economies of knowledge, concentrating expertise requires organizational structures and processes.

Experts need to do more than share data and learning. Concentrating expertise generally involves forming an operating group that provides knowledge, analysis or services to the rest of the organization or directly to customers. While the concept of a "virtual center of expertise" is appealing, it is difficult to have the level of spontaneous and constant interaction virtually that is needed to truly deepen complex, cutting-edge knowledge. True competitively distinct centers of expertise are collocated. Designing centers of expertise includes developing the processes for determining what work is done at the center and what is done locally, how the center interacts with local business units, the relationship between center experts and local experts, allocation of staff time, and the governance structure of the center.

Commodity Knowledge

Companies' commodity knowledge when they take a body of knowledge they use as a resource and turn it into a product. An engineering firm had a set of software, skill and tools it used to manage large engineering /construction programs. As the market developed and their customers became more sophisticated, they simplified and packaged their program management software and know-how into a product

they could sell independently of their engineering consulting service. Co modifying knowledge involves organizational change since it shifts the role of knowledge providers from customer-facing to back-room idea and material producers, a fundamental shift of identity and job.

Create a Knowledge Monopoly / Set the Industry Standard

Companies create knowledge monopolies when they organize, commodify, and distribute knowledge in a way that they become the primary or sole source of knowledge on the topic. An oilfield consulting company, for example, developed a website that gives easy, uniform access to geological data from datasets around the world. Similarly, telecommunications companies race to establish their infrastructure as the industry standard upon which others write applications. To sustain a knowledge monopoly requires constant innovation on the original platform that cannibalizes former versions and resets the standard for the industry. Like companies that commodify existing knowledge, companies that aim to sustain knowledge monopolies need knowledge production units, focused on routine knowledge generation and customer satisfaction. But they also need groups closely tied to production units that focus on innovation. Combining routine work and innovation requires organizational structures that simultaneously provide rigorous process precision and sufficient looseness to encourage creating thinking.

Knowledge and Organization: Since knowledge is the residue of thinking and resides in people and collaborative relationships, organization structure is the primary ways a knowledge strategy is executed.

Structures are relationships: Organizational structures are explicitly acknowledged intentional relationships, traditionally authority relationships.

Network structures: Many companies are evolving to more highly networked and connected structures. Networks are natural parts of any organization.

Limitations for Becoming a Changed Leader

There are limitations and difficulties in dealing with people is not so much convincing them to accept new ideas, but in getting them to abandon old ones. The Worker is likely to cite the concerns for the following:-

- An opportunity to do creative work
- A chance for independence of decision making
- Good and conducive interpersonal work environment
- Management support
- Intrinsic rewards like recognition and appreciation of quality work
- Potential for advancement
- Supportive company policies

- Greater responsibility and autonomy on the job
- Variety in the job

METHODOLOGY (I)

The Knowledge Organization

We are leaving the industrial way of "seeing" the world, but no-one can say with any certainty what will take its place. We live in a world in which Services constitute more than 2/3 of both GNP and employment, so we must shift perspective or paradigm. The label of Knowledge Paradigm has been chosen to see the world from a Knowledge Perspective. The right hand column in the table is at the same time a summary of the guiding principles for the organization I have designed as an archetype for the future: the Knowledge Organization.

Human beings have an infinite ability to create knowledge. Add the convenient fact that unlike conventional assets, knowledge grows when it is shared and you have the two most powerful features, which will change how we manage in the Knowledge Era.

In Knowledge Organizations, knowledge flows are more important than financial flows. People are revenue creators, not cost items. Their true output is a better performance among their customers. It is a world in which the customer relation is no longer one-way market driven, but partnerships in which solutions are co-created and knowledge flows both ways.

The managers do not manage people or even knowledge, but the space in which knowledge is created. This space is both the intangible culture and the tangible environment, such as the office.

Activities of a Learning Organization

The key is that change occurs in the way work gets done. Dr. Garvin includes the activities of a Learning Organization viz. Systematic problem solving, experimentation with new approaches, learning from their own experiences and past history, experiences and best practices of others and transferring knowledge quickly and efficiently throughout the organization.

The 21st Century Corporation

The Learning Organization is the foundation that will facilitate continuous innovation and improvement that will produce a World-Class Organic Enterprise. Applying and expanding one's wisdom in the enterprise's ecosystem, while being nimble and flexible, will enable a firm to gain industry-independent global recognition for its leadership, excellence, and the principles that guide it. Then, that corporation, will be synonymous with World-Class.

The second management concept that has guided us for the better part of two decades is a belief that an organization's ability to learn, to transfer that learning across its components, and to act on it quickly is its ultimate, sustainable competitive advantage.

That belief drove us to create a boundary less company by delaying and destroying organizational silos. Selflessly sharing good ideas, while endlessly searching for better ideas became a natural instinct.

<div align="center">II</div>

KNOWLEDGE MANAGEMENT INITIATIVES IN A PACKAGING INDUSTRY NETWORK - OPPORTUNITIES / CHALLENGES

Packaging of finished products of any company is very important factor, both for providing protection to the product in transit and storage as well as its contribution to pack presentation / brand image. Total packaging cost incurred by the company is very significant, across various Businesses. Packaging professionals are divided by category structure (organizational silos). The challenge is to deliver functional and operational excellence in this divisional organizational structure, without being constrained by the organizational silos of the formal structure. How do we make sure that the collective knowledge of the packaging professionals in the company is fully leveraged by the packaging professionals in each business, to add value to his business, through problem solving as well as innovations to reduce cost and or improve functionality?

FINDINGS

The Response

A team known may be known as community be formed comprising and consisting of the packaging development managers and officers and packaging buyers of various products. This Packaging Community's charter was to improve speed and quality of innovations, implement Packaging Technology lead cost effectiveness and practice packaging synergy across businesses through harmonization, learning and knowledge sharing.

The team so formed is very focused on learning, sharing knowledge and effective implementation of the team's charter. Knowledge is shared in a structured way — each team member wearing two hats — one of business unit / category focus and another of Packaging Technology focus.

The team meets once in two months for structured knowledge sharing and monitoring progress of implementation of the charter.

This has enabled systematic implementation of innovation projects and preparation of best practice documents. The team learns through proactive sharing of successes as well as failures.

The Basic Approach and Methodology Adopted (Brief of Methodology)

Develop clarity on business expectations from the packaging team, understand of Packaging Skills Chain, improve understanding of Consumer needs through participation in consumer clinics, keep abreast of developments in Packaging Technology nationally and internationally, undertake brain storming and idea generation on a regular basis.

- The team effectively networks within HLL and Globally within
- The team identified well-defined knowledge blocks in Packaging area and appointed sub-teams to specialize / lead in each of the knowledge blocks. The sub-teams will help the total team to keep up-to-date with technology and strengthen the packaging skill base in the company.
- The team from time to time organizes "knowledge workshops" with the core team and the extended team to generate new ideas and opportunities. It focuses on capability building through continuous skill mapping, gap analysis and need based training.
- The team developed an Intranet application with collaborative working tools, to facilitate knowledge sharing on a continuous basis, in between the face to face meetings. This Intranet is also the repository of Best Practices and is used for replication of ideas / innovations across business units.

Results Achieved (Findings)

The Packaging community has been consistently delivering as per their charter. It successfully initiated a number of cross business synergy projects and delivered significant saving. Getting the needed things required considerable attention to strengthening knowledge sharing behavior through facilitation, training and leadership.

LIMITATIONS / BARRIERS FOR IMPLEMENTING KNOWLEDGE MANAGEMENT

Conceptual / Mindset Related Issues

We need to create a culture of sharing. Often knowledge is seen as power and in a competitive environment there could be a tendency to hoard knowledge. Key to success of KM is creation of knowledge sharing culture and elimination of organizational and cultural barriers for communication. We should move from " hoarding of knowledge to gain power" to "sharing of knowledge to gain power."

Operational Issues

Time: The typical executive is already hard pressed for time. He has no time for an additional initiative, if it is seen as a diversion from focus on immediate results. So, it is important to integrate KM into existing business processes in the company and embed into workflow. KM should not be seen as a separate initiative, but should be integrated into current workflow as a more effective way to achieve business results.

Analysis of the Role of HR / IR in Institutionalizing KM in an Organization

As can be seen from the above, knowledge management is essentially a people related discipline, with focus on strengthening collaborative team effort to leverage collective knowledge of the enterprise. HR has a pivotal role to play in the KM movement. Key HR processes, Corporate Education, Performance Management and nurturing (sharing, doing and caring) culture. Talent management, which is the domain of HR and knowledge management are closely interrelated. While Talent Management focuses at individual level recruitment, training, skill and competency development and career planning of an individual, knowledge management focuses on people at collective level, how to leverage the collective knowledge of the enterprise, through Mentoring and knowledge sharing and collaborative team working.

How then do HR / IR Processes and Practices Impact the Knowledge Sharing in a Firm?

At the stage of induction of new executives into the organization, coaching and mentoring systems are meant to transfer knowledge; exposure during training to

variety of functions, units and geographical locations helps knowledge awareness / transfer.

Employees will benefit from "Mentorship," not only during the initial months but also for a long time after that. The role of the mentor in the later period would be to challenge the executive to look beyond the obvious, look for past learning and base decisions on a more informed platform.

The training and skill profile of the employee is regularly updated, based on the successful completion (examination) of the on-line courses.

Another very useful role HR could play is to capture stories of successes and failures in the company, archive them in the company-training center for reference for future. This would not only support learning but could prevent repeat of same mistakes.

Culture change: Leveraging collective knowledge is possible only when people value building on each other's ideas and sharing their insights. Much of this shaped by the culture of the organization. In some cultures, where knowledge is seen as power, knowledge sharing may be seen to be in conflict with the individual's personal interests (individual excellence / competitive advantage). Therefore, institutionalization of Knowledge Management requires HR to focus on managing the culture change / mindset of the people to strengthen collaborative team working and knowledge sharing.

RECOMMENDATIONS

How Do We Create a Knowledge Sharing Culture?

Realign Incentive and Reward Program

People in business most often behave in a way that increases their career opportunities, or recognizes their achievement. Most organizations reward individual effort or task achievement. They reward something done in a crisis, but most incentive programs do not reward avoiding a crisis. The best KM practitioners reward employees for learning, sharing and collaborating can be counted as under:-

(i) Institute Team awards to recognize and reward excellent collaborative team effort, which has strongly contributed to business results. Ensure high visibility for teams which have excelled in knowledge capture / sharing to deliver business excellence.

(ii) A common set of shared values is critical to guide the relationship with in an organization that wants proactive knowledge sharing. Ours is embedded in our Code of Ethics." The Code of Ethics was developed by the organization through debate and discussions in which a wide cross-section of employees in the company participated. "This Code of Ethics are an integral part of the effort to achieve and maintain knowledge sharing in our company."

HR will also be a key facilitator in implementing a companywide communication of value behaviors.

(iii) Learning from experience (actively searching for others ideas, willingness to discuss failures and openness to feedback)

– Developing others (commitment to share insights, help others shine, focus on future)

– Team commitment (promoting cooperation and trust, open and active participation in team projects, task forces, communities of practice / Networks, upholding team's ideas and proposals).

Share with all employees, success stories of collaborative effort and knowledge sharing, through House Magazine, workshops etc.

FINDINGS – II

The Human Factor & Industrial Relations

Maximizing Intellectual Capital Depends on Progressive Management of Human Resources - by Fawn Fitter

At a time when key business assets reside in the heads of employees, the most basic steps in managing those assets are to find and keep the right heads. That's why the human resources department is central to a knowledge-savvy organization's strategic planning.

Management Review. "Knowledge lives in people's heads and is embedded in process through people."

While the IT department may provide the technology to store and transfer information, HR is the department responsible for developing the human resources to access, leverage and expand on that information IR Department has to maintain the good IR relations under the agies of law of the land. The possibilities, according to a consensus of experts, break down into four categories:

1. Make the human resources department a model of the knowledge-sharing mindset.

2. Use technology to support HR goals, not drive them.

3. Broaden the definition of "employee."

4. Make employees happy to stick around.

FINDINGS - III

Redefining "Employment"

"People external to the organization—companies you outsource to, companies who provide research, contract or consulting firms—are part of your team now," said

Harris. "Many companies are staffed as much by people outside the organization as inside. Increasing collaboration and knowledge [management] requires you to view all of those people as employees."

FINDINGS IV

Making Happy Employees

Losing one person with vital knowledge can be a greater loss to an enterprise than the theft of a computer full of strategic information. And when intellectual capital is a more important asset than physical and financial resources, a single knowledgeable person can readily exit an organization and immediately go into competition with it.

Employees have a certain amount of power now that their ideas and competencies are considered a company's prime asset. They can opt to participate fully in creating value, they can choose to do the bare minimum to fulfill their job requirements, or they can leave.

HR and good Industrial Relations can contribute to this by designing incentive systems customized to reward performance in ways meaningful to the recipient. David Ulrich, professor of human resource management at the University of Michigan and editor of Human Resource Management Journal, breaks these rewards into five categories.

Formal training and support programs are also important, not just to pass knowledge along to new employees but to give long-time employees the opportunity to communicate information and leverage their experience. A mentoring program, for example, can be as rewarding for the mentor as the mentee.

FINDINGS V

Attitude is Everything (IR)

In an era when knowledge workers are essentially free agents—able to shop their skills for the best offer—the biggest attraction may not be a hefty salary but the opportunity to work side-by-side with experienced colleagues who are willing to share what they know and teach how they learned it.

Companies that manage to shift the organizational paradigm from "individual knowledge is power" to "collective knowledge is a competitive advantage" can not only hang on to their intellectual assets, but spur their employees to new heights of achievement.

CONCLUSION

Retention

The shortening product life cycle and the pace of technological advances is making retention and management of talent an integral part of every organizations strategy

for the survival and growth. Retention practices have begun to receive their well deserved importance, in the overall HR initiative in any organization. In the present scenario retaining talent is arguably the most challenging task that any organization faces. However, as the organization develops strategy to recruit and retain qualified successful, they must acknowledge that they are doing so in an environment of increasing and changing customer expectation and a highly competitive labor market. In addition, this competitive labor market is fuelled both for the demand technological skills as well as changing expectation of employees. Also, most organizations are presented with these challenges in the face of budget constraints and institutional cultural resistance to the change.

Having a high labor turnover is not good for any organization because:-

– The cost of replacement is high. Research across the industry in India has put the replacement cost to be around 75% to 100% of the annual wage or the base salary of the departing employee. High attrition rate affects the stability of an organization. Constant flux of employees makes it difficult for HR and top management to create a sense of belonging among the employees.

– Productivity and quality of work suffers as the rapport created between employees and clients breaks. This has a direct ramification on the productivity and quality of projects and the organization itself. An organization facing high attrition rate is often hard pressed with other ongoing activities like recruitment, trading, compensation revision and surveys, etc., so that when eventually no time is spent on the development of employees.

– This however does not mean that organization should not have any turnover. In fact, if marginal and sub-marginal employees have left the organization, the turnover can be positive. It may create the opportunity to replace an under performing individual with someone who has sharper skills or higher motivation.

– Tackling retention can be simpler if one understands the factors influencing labor turnover. There are certain influences on attraction and retention. Certain external influences are outside the organizations control. They include the general the general and specific labor market, competitors hiring practices and the overall economic climate.

– Employers generally cannot control external influences but can understand and adapt to their influence on attraction and retention. This can be done by collecting data from remunerations surveys, economic data on average earning and cost of living, and competitor hiring practices. If external influences are identified as the main cause of attraction and retention problems in any organizations then the permanent solutions will not exist. Temporary reforms may alleviate the problem and will need to be modified

if external circumstances change. However, external factors can give early warning to potential problems such as high demand for a particular skill or remunerations package offered

– Individual characteristics affect their likelihood of their staying or resigning from the organization. These include demographics, education and length of service, employee work patterns, past pay growth and job mobility, personal needs and preferences, and the relative value placed on work and non work activities.

– Information on individual preferences can be collected from employees through exit interviews and climate surveys. These surveys can help organizations identify gaps between what benefits employees actually value and what the organizations offers. As with external factors, employers cannot control individual attributes. Employers can only try to understand their links between individual differences and turnover and use this understanding to change organizational practices.

– Organizational practices are the programme, policies and other factors that make up the work climate. They include business strategy, compensation and reward management, recruitment practices, employee development and growth opportunities, leadership and management style, organization communication culture, work environment and job characteristics etc. yet the organizations can intervene effectively to ensure a low labor turnover. And integrated approach ensures attraction, retention and motivation of employees.

"Human capital issues have reached the top of board and senior management agenda items and are likely to remain there for the next five to ten years, driven by an increasingly tight market for talent," said John Colvin, MD of Hamilton James & Bruce, which conducted the study.

"Organizations have realized that people now select companies, and so attracting talent in a candidate short market will depend on the strength of a company's reputation and brand as an employer of choice."

The study also found that more than 80 per cent of managers are now happy in their companies, compared with earlier times. Despite the improvement in work satisfaction, nearly half of the managers are considering leaving the business and/or reviewing their options.

The study found that communication from the top was also an important way of empowering managers and staff and retaining them, only few managers believe CEOs communicate effectively and regularly regarding important company information. Much information is communicated via email and the company intranet; however the study found that people much prefer to see senior management talk directly to them.

"Companies who commit themselves to implementing creative retention strategies and strengthening their culture are more likely to enjoy business success in the challenging years which lie ahead,"

Why Do They Leave?

Most employees leave their work for reasons other than money - and the organization can correct these reasons. Most leaving employees seek opportunities that allow them to use and develop their skills. Leaving employees want more *meaning* in their work. They often indicate that they want to use their qualities and skills in challenging teamwork led by capable leaders.

Managerial staff cite "career growth" and "leadership" as the major factors that influence attrition and retention, together with "opportunities for management" "ability of top management" "use of skills and abilities" and "work/family balance"

Professional employees cite concerns about "supervisory coaching and counseling," "company direction" and "interesting work"

Clerical employees voice concerns such as "type of work," "use of skills and abilities" and "opportunity to learn"

Hourly employees notice whether they are treated with respect, their "management ability" and "interesting work"

Exit Interviews

Exit interviews provide an excellent source of information of internal problems, employees' perceptions of the organization, underlying workplace issues, and managers' leadership abilities.

Ineffective Managers

High employee turnover can be recognized and properly attributed to poor managerial performance, emotional intelligence and ineffective leadership. Poorly selected or improperly trained managers can be very expensive.

A Workforce Magazine article, "*Knowing how to keep your best and brightest*," reported the results of interviews with 20,000 departing workers. The main reason that employees chose to leave was poor management. HR magazine found that 95 percent of exiting employees attributed their search for a new position to an ineffective manager.

Hire Attitude; Train Skills

– Systemic Solutions can help you hire and inspire appropriate employees ...
– Build positive, friendly, teamwork attitudes and commitment to customer services
– Help new employees feel comfortable as they participate as valued team members

– Provide periodic refresher courses to maintain team purpose and functionality
– Apply Expert Modeling to rapidly transfer expert skills within a workforce

Reduce Attrition: Managers and Professional Employees

Systemic Solutions can help you adjust your company vision and manager's performance reviews to reflect employee turnover, and provide mentoring and interpersonal training to inexperienced managers.

- Develop and communicate a strong strategic vision
- Provide relationship coaching and help people develop to their potential
- Reward managers for their relationship skills - not only on technical know-how and financial results
- People don't leave jobs, they leave managers! Replace managers who will not develop relationship skills

Reduce Attrition: Clerical and Hourly Employees

Systemic Solutions can help you communicate. Most employees want to know more about their work. We can explain each process and help employees understand the importance of their work. Your employees will become more knowledgeable about their effectiveness. Here are a few ways ...

- Compliments and thanks cost little and can bring great benefits
- Let employees know that their opinions are valuable
- Keep employees informed - don't let them hear important news through rumors
- Update employees on technical information
- Address staff by their first names
- Praise publicly what the employee has accomplished and say why it was important
- Criticize privately about what the employee can do better and explain how to do it better
- Create community with activities such as informal meals or events outside work
- Involve employees in organizational planning

Managing Attrition through Raising Employee Self-Esteem

Literature in HR is replete with theories on motivation, team building, and leadership to name a few of the commonly spoken jargons. Trust, openness, autonomy, strategic collaboration, pro-activity, benchmarking and career development are some other buzzwords prevalent in the field of HR. But self-esteem or "positive self regard" seems to be referred only while studying *The Maslow's*

Hierarchy in the subject of Organizational Behaviour taught in B- schools. It is often unnoticed that even Maslow himself has referred to the concept of "Self-Esteem" as an important step to achieving "Self-Actualization" without which the concept of "motivation" is not complete, towards which organization strategies seem to have converged. Of late driving the "new-economy" organizations in a frenzy , is the growing malaise of the **"rate of employee turnover"** ,which I felt can be correlated to the presence of *low self esteem* . It thus becomes worthwhile to have a deep look on this concept and its implications in both individual and corporate contexts.

Concept of Self-Esteem

"Self-Esteem" which is a positive self-regard emerges from the concept of "self" which is an important dimension of personality. It means we regard ourselves highly. If we do that we expect more out of ourselves. It is a process which often results in more impressive achievements arising out of greater expectations out of ourselves. It is in this sense that it becomes an auspicious circle of 'expectations' and 'achievements' and 'achievements' to further 'expectations'.

This growth process results in more aggressive goals, greater expectations and hence more impressive achievements .If we start believing in whatever has been said till now ;we cannot help but come to conclusions that those person we follow passionately, gladly and zealously have made us feel like somebody .It was not merely because they had the job (assignments) or the power … somehow make us feel terrific .to be around them .

Experts have said that positive self-belief and regard seems to exerts its influence by creating in others a sense of confidence and high expectations High self esteem is perhaps a common ingredient in all great personalities ,and it definitely has a trickle down effect on the whole society .Let's not forget the wise words *" failure is not a crime, aiming low is."*

According to Transactional Analysis(TA) human beings have three ego states namely, parent, adult and child All interpersonal human behavior is sought to be explained as transactions out of these ego states of interacting individuals . Reinforcement of the adult states can make individuals more rational and balanced in behavior leading to greater effectiveness of mutual relationships.

A high self esteem or positive self regard can indeed help in reinforcing the adult state in individuals. But it should be mentioned here that if not properly understood and nurtured, excessive positive self-regard can also be dysfunctional .It can lead to arrogance and therefore can result into what is known as TA parlance, a wrong kind of behavioral transaction. As Freudian psychoanalysis says it can also make one rise in his IQ" and reinforce 'superego' and 'ego'. If degenerated high self esteem can result in snobbish behavior, on the other hand if properly harnessed, self-esteem can help in submitting undesirable traits into useful one, and help the individual organization and society.

Napolean observed about his soldiers that, "They are able because they think they are able"

Swami Vivekananda emphasized the importance of self-esteem. He said "Man is the infinite dreamer dreaming finite dreams" after gauging the common man's low self-esteem during the nineteenth century when the country was still reeling under the British rule.

Self Esteem and Employee Turnover

As the struggle for reducing the employee attrition rates in the knowledge-based organizations intensifies, the rise in methods to increase the self esteem of the employees can well be the answer for HR executives all over the world .The few measures to raise the self-esteem of the employees suggested are :

- Recognizing the contributions of outstanding achievers will induce others to try hard.
- Criteria for selecting outstanding achievers should be transparent.
- Effective HR measures in the areas of training, career development etc, equip the workforce better on the professional front and also increases their self-esteem, confidence, morale and motivation.

Employee Retention is a biggest challenge for most hr managers today. After your people go home every night it is not certain how many of them will be back next morning. Today in Computer industry reveals bid for one another's talent everyday luring away managers with unbelievable salaries & designations. Here are some facts & finding regarding this. Employees see the company as a place where they can meet their aspirations of growth & advancement.

Values of Trust, Teamwork & Transparency using a comprehensive performance, planning & review & develop module explains clearly to its employees just what their targets are, whether they have achieved them & based on the results where they can expect their career path in the company to lead. Gauge the needs of employee through polls & feedback mechanisms & continuously tailor the company's benefits, jobs ,work environment & other facilities to meet their needs. Fighting with salaries, perquisites or designation as tools can be self defeating as your rivals can always pay better instead companies which ensure low employee T.O. in a job–hopping environment use a combination of growth, learning opportunities, attention to employee's personal needs & participation. People like to be respected, they are ambitious, and they like opportunity for growth never forget this. If a company allows them to realize their potential they consider that a strong reason to stay on.

A learning environment, quick growth, diverse experience and flexible compensation definitely forces employees to work for long. Besides the above things here are some practical points which we have to consider for practicing employee retention. Recruitment: In industry where companies are competing freely for talent, hiring in a hurry can be a mistake. Some most talented is often also the most prone

to climbing by shifting from one company to another. Always hire stayers rather than stars!! Reveal the future: Finding out their possible careers by combining their individual needs with those of organizational needs is essential to give your best talent a reason to stay with you Decreasing levels: A quick path to the top is vital since today's best managers are no longer willing to spend a lifetime waiting for promotions.

Make a job composition which offer more responsibility and convince our people that the best of them could rise quickly. Offer strategic benefits: Out paying the competition is never a winning tactic since the auction can continue endlessly. Spotting & fulfilling your employees unstated needs is one of the best ways to stay them longer. Rewards can be tied to retention by simply increasing them in direct proportion of the number of years spent at the company. So in a summarized form we can plasticize these ways to extend the tenure of employees in the organization: Map out career plans for employees so that they know where they are headed. Accelerate the process of climbing through the ranks by eliminating levels. Design the benefits whose value increases the longer an employee stays. Create a learning environment that forces employees to stay with us. Anticipate, identify & attend to employees personal needs, Conducive work environment & easy access to top management. Offer employees a functional autonomy. Be consistent & transparent in all policies.

Funding New Employee Retention Efforts

The most typical way to provide a new employee support program has been a common sense approach, which is founded on two assumptions:

- Since we all were once beginning educators, we all know what is needed to better support our recent new hires.
- Everyone accepts the value of increased support for new, and especially novice employees.

Finding funding for common sense induction and mentoring incentives has been a challenge too. While induction programs seem so logical to educators, such programs are often perceived as less than essential by the non educators who are decision makers at the local school board, state or provincial policy, and legislative levels. This has led to inadequately supported and abbreviated programs which do not have the capacity to provide the desired results, or to stronger programs while grant funding endures, but which cannot be sustained when the grants are unavailable.

Reducing Early Career Attrition

While you need to know and address the number of staff who will retire, you also need to know how many employees are leaving before retirement age. This is a more critical factor to quantify as it is one over which your district can assert

considerable influence. Specifically, the district needs to determine the total rate of employee attrition less the number retiring. The goals are to define and target a specific group of people and to do so with a different set of strategies than the end-of-career people need. Since attrition is the flip side of retention, the retention strategies we have discussed are still relevant to address attrition. What is different here is the need to know the cost of attrition. These data can be quite powerful, for they are annually repeating costs which are assumed to be necessary. These costs are so accepted as to have become almost invisible expenses. The strategy need to have viz. find out how bad early career staff attrition really is, determine the total district and per employee cost of attrition and present in a compelling way, a comparison of the cost of attrition and the cost of induction support for new employees.

Future Scope

Some points which are to be considered which demonstrate clear financial costs. The basic need is to know the distinctive cost when a new employee leaves.

What you want to identify the costs for:

- New employee recruitment, especially for recruiting the kind of diverse staff a great district wants?
- Administrative time for trips to job fairs & colleges, screening applications time, interviewing, meetings to make decisions?
- Newspaper, journal, internet and other ads
- Technology specialist time for placing recruitment and job info on the district web site
- Brochure and flyer printing, folding, addressing, and mailing
- Personnel staff time processing applications, answering phones, dealing with certifications, and other inquiries, etc.
- Cost of background checks
- New employee initial orientation
- New employee training during the first year or two? (both that just for new employees and all other district training)
- Reduced student learning during the year or two that a new employee is learning to teach?
- Reduced student learning when a new employee leaves with what they have learned from trial and error, and a different new employee is hired without that hard won experience and starts over at the beginning again.
- Loss of instructional continuity when new employees leave or are not rehired because they are not as successful as required?

- • Administrator time spent orienting, evaluating, coaching, developing, and supporting new employees who are not retained?

The required data be collected and figured out as a cost for each individual employee. Then compare that to the cost of induction per employee.

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