A COMPARATIVE STUDY ON THE IMPACT OF KNOWLEDGE MANAGEMENT PRACTICES ON EMPLOYEE RETENTION

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DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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ABSTRACT

Knowledge has become a primary and fundamental asset whose successful application helps organizations to retain competitive while delivering creative products and services. Organizations start to realize the full value of their knowledge when the knowledge is being transferred among employees effectively. Knowledge management is a process that require for an organization to identify, capture, evaluate, organize and transfer important information and expertise necessary for problem solving, dynamic leaning, strategic planning and decision making.

Knowledge intensive firms are set of organizations that employ highly qualified professionals as the majority and the employees in these organizations are mainly engaged in knowledge intensive activities. IT and Banking industries have been identified as knowledge intensive industries following these conditions and they have been implementing different practices to manage knowledge in making competitive differentiation within an industry. At the same time, IT and banking industries are experiencing high turnover rate with the availability of high level of competition and more employment opportunities in the labor market. Therefore, this study aims to identify how the use of knowledge management practices contributes towards employee retention in industries when they bear similar characteristics.

The research approach for the study is a deductive approach with the objective of discovering relationship between knowledge management practices and employee turnover using two different industries. Knowledge workers from the two industries are the population for the study and the sample size is 179; 97 from IT industry and 82 from banking industry. The data was gathered using a structured questionnaire and analyzed using 23rd version of SPSS. After the comprehensive analysis, the study showed that the adoption of knowledge management practices in IT industry is higher than the banking industry. Likewise, it found that the impact of knowledge management practices on employee retention is slightly higher in IT industry than banking industry. This concludes that, the impact of knowledge management practices on employee retention depends on the industry and it is high when the adoption of knowledge management practices is high within the industry.

Keywords: Knowledge management practices, job satisfaction, employee retention, comparative study.

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LIST OF ABBREVIATIONS

Abbreviation	Description
IT	Information Technology
BPO	Business Process Outsourcing
KPO	Knowledge Process Outsourcing
GDP	Gross Domestic Product
LCB	Licensed Commercial Banks
LSB	Licensed Specialized Banks
KIF	Knowledge Intensive Firms
ICT	Information and Communication Technology
CBSL	Central Bank of Sri Lanka