

## **Employment Staffing Strategies and their Implications for Knowledge Retention**

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### **Abstract**

The purpose of this paper was to highlight the implications of employment staffing strategies on organisations regarding the retention of operational relevant knowledge. The fact that institutions experience a loss of operational relevant knowledge can no longer be denied. Diverse challenges that lead to loss of operational knowledge include staff attrition challenges such as retirement, resignations, redundancies, political purging, lay-offs, and deaths. To mitigate these challenges, institutions need to devise mechanisms for retaining organisational knowledge including the choice of an appropriate staffing strategy. Using literature analysis, findings indicate that all employment staffing strategies have implications for knowledge retention. This paper proposes organisational interventions such as knowledge governance, knowledge management, human resource management, and information communication technology to help facilitate the retention of organisational operational relevant knowledge.

**Keywords:** *Employment Staffing Strategy, Organisational Knowledge Loss, Knowledge Retention, Contract Employment, Knowledge Management*

### **1. INTRODUCTION**

In an information society in which knowledge has become the bloodline of operations in organisations, effective and efficient ways to attract and retain staff for purposes of managing and retaining organisational knowledge should be a must (Butcher 2007). Knowledge loss and its implications for sustained operations cannot be denied (DeLong 2004). Institutional operational knowledge is a combination of both tacit and explicit knowledge (Civi 2000). Tacit knowledge is the knowledge that resides in the heads of employees whereas explicit knowledge is documented knowledge that supports organisational operations (Civi 2000). To acquire relevant operational knowledge, organisations employ staff and procure or develop various documents that guide their operations (Al-Ma'aitah et al 2020). In employing staff, organisations use various types of contracts to engage staff. These contracts range from permanent to daily employment. Each of the employment contracts has implications on organisational knowledge which, if not managed, can lead to disruption of operations. Therefore, the adoption of either permanent or contract-based forms of employment has implications for knowledge retention as it affects organisational operational efficiency and effectiveness, and it is, therefore, essential that an employer should carry out a cost-benefit analysis before adopting either of them to ensure sustained operational continuity (Beazley, Boenisch, and Harden 2002; Kalkan 2006; Nyambok and Hongo 2022). Thus, it is understood that there is a direct link between staffing strategy and organisation excellence (Al-Ma'aitah et al 2020). Because of this fact, this paper explores the implication of employment staffing strategies (permanent staffing and contract-based staffing) on organisational knowledge retention. Accordingly, Al-Ma'aitah et al (2020:6929) define staffing as an "HRM process that includes attracting people with necessary knowledge and skills for the job, selecting individuals with higher qualities, and retaining qualified individuals to achieve organizational goals and objectives".

Further, this study was motivated by the various characteristics of workforces (Generation Y, Generation X, baby boomers, and traditionalists) in work places as they have implications for knowledge retention in that most traditionalists and baby boomers (born between 1946 and 1964) are exiting the workforce through retirements and advancements in age having served mostly in permanent jobs while generations x (born between 1965 and 1980), y also known as millennials (born between 1981 and 1996) and generation z (born between 1997 and 2012), are considered as a younger workforce, have been described as being mobile and as such perpetuate operational knowledge loss through mobility (Armstrong 2009; Bogdanowicz and Bailey 2002; DeLong 2004; Sutherland 2005).

## **2. PURPOSE OF THE STUDY**

The purpose of this paper was to highlight the implications of staffing strategies on organisational knowledge retention. To achieve this purpose, the study focused on the following specific objectives:

- i) highlight employment staffing strategies and their implication for knowledge retention
- ii) explain challenges that lead to loss of operational knowledge; and
- iii) propose practices that can help retain organisational knowledge.

## **3. METHODOLOGY**

A qualitative approach was used in this study. Desktop literature analysis and observations through professional practice over the years were employed as data collection methods (Creswell 2003). The secondary data analysed was collected through online searches. The observations referred to in the study are a result of the accumulated work experiences of the author having worked and been exposed to various workplace environments and active participation in organisational operations which had implications for knowledge assessment, acquisition, transfer, and retention. Such operations included governance, management, human resources management, consultancy, teaching and research.

## **4. FINDINGS**

### **4.1 Employment Staffing Strategies**

Traditionally, most organisations use two broad staffing strategies for people resourcing namely long term employment contracts also known as permanent employment, and fixed term or in some cases short-term employment contracts also known as contract employment (Cao et al, 2010). Accordingly, Nemcova (2024) indicates that “an employment contract is a formal legal agreement between the employee and the employer. It details the conditions of employment and the responsibilities of each party. Employment contracts enhance an employee’s understanding of their role and expectations while also mitigating future risks for the organization”.

The choice of staffing strategy depends on the nature of work executed in the organisation. Employment staffing strategy on long term employment contracts is common in organisations whose missions are projected to last for a long period as well as staffing in primary functions (core functions) of the organisation. It is also argued that permanent employment is best for staff who are dedicated and those who seek stability as well as institutions that conduct research (Jacowski, 2007). However, with turbulence in the operational environments, other institutions, have opted to employ their staff on contract-based terms. This staffing strategy is also adopted by organisations that seek innovation, especially in high positions in the secondary functions (management and support functions) of an organisation. It is also argued that contract staffing strategy emerged as a result of institutions evading payment of remunerative packages that were deemed unsustainable such as leave pay, retirement packages, and related incentives (Jacowski (2007). Most institutions that offer contract employment are those that seek to make a profit and view employing staff on contract as a cost reduction strategy (Watkins, 2008). Yet still, other institutions mix both permanent and contract based employment based on several reasons (Mackay, 1995).

As already stated above, permanent employment as a staffing strategy is one in which an employee has a long-term contract that extends to the time of retirement. This form of employment, as it can be argued, has been adopted by several both public and private institutions for a long period. Accordingly, Armstrong (2009), Chambel et al 2016, Gupta and Gupta (2013), Jacowski (2007), and Watkins (2008) indicate that many virtues have been associated with this form of employment to both the employer and employee, including the following:

- Lifelong employee contracts of employment that extend to retirement age;
- Sustained employee loyalty and commitment due to employment security;
- Motivated staff performance;

- Proactive planning of sustained operational continuity through practices such as training and development and succession planning;
- Sufficient remuneration and retirement packages;
- Availability of fringe benefits such as paid (study/vocational/sick) leave;
- Satisfied with the quality of work life; and
- High engagement.

On the other hand, contract-based employment as a staffing strategy is a form of employment in which an employee's length of engagement with a firm is for a shorter period, usually ranging from a day to a few years, without some employee benefits that accrue to full-time/permanent employment (Jacowski 2007). There are many types of contract employment including part-time, fixed-term, temporary, 1099, casual, internship, and remote work agreements (Nemcova 2024). The duration of the contracts is usually determined by the employer. Accordingly, Chambel et al 2016, Gupta and Gupta (2013), Jacowski (2007), Rahman et al 2022 and Watkins (2008) indicate contract employment is ideally characterised by the following:

- Employees are engaged on short-term periods usually incomparable to permanent employment;
- Staff that opt for this form of employment derive certain attractive incentives such as high pay in a short period;
- Employers opt to engage staff on contract as a cost reduction strategy;
- Usually, this form of employment has no fringe benefits and retirement packages paid to staff;
- Unless stated, employees are expected to leave the institution once the contract has expired;
- Staff on contract have no employment tenure security
- Lack of assured employed tenure results in low staff morale and engagement;
- Increased staff mobility induced by insecure employment terms;
- Less satisfied the quality of my work life; and
- Low engagement.

#### **4.2 Staffing Strategies and their Implications for Knowledge Retention**

Regardless of the staffing strategy adopted, each has operational risks associated with the loss of organisational relevant knowledge that has the potential to hinder an organisation from meeting its strategic objectives and ultimately underperform on its mission (Hendrawan et al 2023). However, it should be noted that while both permanent staffing strategy and contract staffing strategy are not short of risks associated with the loss of operational relevant knowledge, permanent employment staffing strategy guarantees the availability of staff to work for long periods in organisations. The guarantee increases especially in economies with high unemployment levels. On the other hand, and while referring to contract staffing strategy, Beazley et al (2002) stress that:

as organisations change their employment strategies from full-term, permanent staffing to short-term, contractual staffing, the velocity of knowledge loss increases because of the shortened tenure of the contingency workers and the more rapid turnover they create.

The knowledge loss facilitated by the staffing strategies above includes Common vices through which organisations with these staffing strategies lose knowledge including retirements, resignations, political purging, lay-offs non-renewal of contracts, redundancies, and deaths. (DeLong 2004).

These knowledge attrition challenges cause loss of tacit knowledge in organisations whose consequences include lost potential for innovation and growth, decrease in operational efficiency and effectiveness, and increased costs which in turn affect organisational performance (DeLong 2002; DeLong 2005; Hahn 2006; Padilla 2006; Purdum 2006; Sanz and Hovell 2021; Sutherland and Jordaan 2004). These consequences become a nightmare in workplaces where contract employment is rampant as Stovel and Bontis (2002:315) argue that:

the difficulty with contract/contingent workers is that ... [they] require training in the operations and products of the company. However, when the ...season is over, these employees leave the firm and such knowledge and experience are often not retained and leveraged by the firm.

Further, the above situation is worsened by the fact that in the knowledge era, employee mobility has become a characteristic of knowledge workers who vest their loyalty in their knowledge, skills, competencies, capabilities, qualifications, exposure, career development and employability in the knowledge economy (Bhawal 2006; Crespi, Geuna and Nesta 2007; Deem 2004:111; Stovel and Bontis 2002:320; Sutherland 2005; Sutherland and Jordaan 2004). (Stovel and Bontis 2002:320; Sutherland 2005). To this, relying on traditional human resources management practices like employee retention, that is, retention of the actual headcount, has become inadequate (Buttler and Reche-Tarry 2002; Oltra 2005; Stovel and Bontis 2002; Sutherland 2005).

It is from the above understating that the implications of staffing strategies on organisational knowledge should be well understood by employers who should consequently conduct cost benefit analyses before adopting a staffing strategy as well as invest in organisational practices that guarantee the retention of organisational knowledge rooted in employees in form of human capital (Auer 2002; Kelleher 2006; Stovel and Bontis 2002) and is capable of facilitating continuity in operations and ultimately meet their mandates.

#### **4.3 Practice; Mitigating Organisational Knowledge Loss**

Employment staffing strategies facilitate the acquisition of tacit knowledge in organisations. However, the ability to retain this knowledge requires understating of how organisations create knowledge. Accordingly, Nonaka and Takeuchi (1995) argue that organisations create knowledge through conversions involving socialisation, externalisation, combination, and internalisation, a process they represented in what is called the SECI model. Applying the SECI model to organisation practices uncovers many organisational functions with interventions that have a bearing on knowledge retention. These include knowledge governance, knowledge management, human resource management, and information communication technologies (ICTs). Collectively, the complementary practices can help an organisation create a positive knowledge management culture that promotes knowledge retention.

##### **4.3.1 Knowledge Governance**

The governance function in organisations is responsible for setting the direction, and control of the institution as well as operationalisation. This entails having plans, policies, and procedures as well as positions responsible for managing organisational knowledge. It is governance best practice that organisations have knowledge management strategies, knowledge management policies as well as organisational structures with positions attributable to the management of organisational knowledge. Having such a governance focus on organisational knowledge has the potential to facilitate the retention of critical relevant organisational knowledge.

Another area within governance that facilitates the retention of organisational knowledge is the board and board committee meetings in which discussions of important matters that affect the operations of the organisations take place. Two major things happen during such meetings, exchange of ideas and acquisition of relevant operational knowledge shared by knowledgeable board members and staff as well as taking minutes of deliberations, an aspect which ensures the conversion of tacit knowledge into explicit knowledge. Two knowledge assets emerge after the board meeting, enriched tacit knowledge of attendees and minutes containing explicit knowledge shared during the meeting. In such meetings, it is important to ensure that there are adequate relevant people present at all times to ensure business continuity and the creation of institutional tacit knowledge memory.

#### **4.3.2 Knowledge Management**

It is the responsibility of management to ensure that organisational strategies, policies, and positions approved by an organisation's governance structure such as boards of directors are implemented. It is also the responsibility of management to ensure the monitoring performance of work executed in the organisation. In carrying out these key functionalities, management performs several management functions such as planning, organisation, staffing, coordinating, directing budgeting leading, and reporting which are applied to organizational resources such as knowledge resources. For instance, planning for a organisation's knowledge requirements has a direct link to the staffing strategy that an organisation can adopt in acquiring.

In addition, management should be deliberate by ensuring that information technology systems (IT systems) are complemented by effective information management (management of explicit knowledge) practices such as the availability of information management departments, registries, record centres, and archives that serve as sources of institutional memory.

#### **4.3.3 Human Resource Management based Interventions**

Human resources management based interventions for knowledge retention include efforts that can be made through HRM functions such as organisational design and development, people resourcing, and training and development. Through organisational design and development, an organisation can plan for the structure and positions that can be created in the organisation to manage organisational knowledge. In addition, an organisation can plan for the different types of knowledge that an organisation requires for work to be executed effectively. This is because every position in organisational structures requires knowledge for executing the various activities in its portfolio. Organisation design also facilitates the span of control an aspect that grates default fallbacks for the different positions.

Away from the design perspectives, people resourcing activities also have a bearing on institutional knowledge retention by facilitating the recruitment of staff with appropriate knowledge, skills, and competencies. This HR function is also responsible for induction, staff rotation, career management, talent management, succession planning, and general HR planning. Through career management, talent management, and succession planning, an organisation can retain organisation knowledge.

Last but not least, training and development as a human resources HR intervention help organisations retain knowledge through the facilitation of training. The training imparts knowledge to staff who serve as reservoirs for organisational tacit knowledge. To this end, a robust training programme is essential for knowledge retention.

#### **4.3.4 Information Communication Technologies based Interventions**

Information communication technologies interventions for organisational knowledge retention comprise many IT-based systems such as document management systems, corporate repositories, and portals that are used for both storage and corporate memory. Further, information systems for key functions in an organisation also store organisational explicit knowledge that could be accessed through data mining. Other information management systems such as enterprise resource management systems, procurement systems, financial management systems, subject matter expert systems, and corporate dashboards all help retain explicit knowledge of an organisation.

### **5. CONCLUSIONS AND RECOMMENDATIONS**

Organisations thrive on organisational knowledge. The choice of staffing strategy has a great influence on how well the organisation can retain its operational relevant knowledge. Failure to practice effective and



efficient knowledge retention practices has great consequences such as loss of business opportunities, costly operations, delays in meeting organisational targets as well as general underperformance of the organisation. To mitigate these challenges, it is recommended that organisations learn to manage their organisational knowledge by adopting effective knowledge retention practices that can enhance the retention of organisation knowledge.

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