

Chapter 6

Managing Knowledge Worker Turnover in Small and Medium-sized Enterprises in Times of Human-centric Management



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6.1. Introduction

The significance of knowledge for the functioning and development of contemporary organizations is undoubtedly one of the pivotal issues addressed both in academic research and in practical business solutions. This topic was partially explored in Chapter 3, focusing primarily on HRM knowledge transfer in multinational companies. Building on this foundation, the current chapter shifts the spotlight to another crucial aspect of knowledge management—specifically, the management of knowledge worker turnover in small and medium-sized enterprises (SMEs). This transition from a broad organizational context to a more concentrated focus underscores the essential role of knowledge workers as critical assets within SMEs, whose turnover can significantly impact organizational continuity and innovation.

In an era marked by rapid technological advancements and evolving economic landscapes, SMEs face unique challenges in sustaining their competitive edge. Central to these challenges is the management of knowledge workers, whose roles are fundamental due to their expertise and the innovative outcomes they drive (Byukusenge et al., 2017). This chapter delves into the importance of managing turnover among these critical employees within the framework of human-centric management, which prioritizes the well-being and development of individuals at the core of organizational strategies.

The significance of managing knowledge worker turnover stems from the vital role these individuals play in the ideation, development, and execution of innovative solutions that can significantly affect a company's performance and survival in the market. Knowledge workers are not only repositories of specialized knowledge and skills but are also key drivers of a company's adaptability and growth (Yeboah, 2023). Their departure not only incurs direct recruitment and training costs but also leads to intangible losses such as diminished institutional memory, disruption of team dynamics, and potential erosion of customer relationships (Lipka, 2021).

In the contemporary business era, often referred to as human-centric, the focus shifts from viewing employees merely as resources to recognizing them as integral stakeholders with unique needs and potentials (Juchnowicz, 2014). This paradigm emphasizes the importance of aligning organizational goals with employee aspirations to foster a mutually beneficial environment. Managing turnover effectively in this context involves not just retaining skilled personnel but also ensuring their engagement and satisfaction, thereby enhancing their productivity and loyalty to the organization.

In the above context, **the main goal of this chapter** is to identify and evaluate methods of managing turnover among knowledge workers in SMEs, interpreting these phenomena through the lens of the human-centric management paradigm.

6.2. The Theoretical Framework for the Study

As we delve into the theoretical framework of this study, it is crucial to contextualize the role of knowledge workers within the broader spectrum of human-centric management. This approach not only focuses on the strategic incorporation of human resources but also emphasizes recognizing and nurturing the unique capabilities that knowledge workers bring to an organization. Understanding the complex interplay between these workers' skills, their autonomy, and the innovative outcomes they drive, offers invaluable insights into crafting management practices that are not only effective but also supportive of the human elements at the core of organizational strategies.

In the subject literature, numerous definitions of knowledge workers can be found. Some emphasize the importance of education, others the role of their characteristics or their participation in certain processes. These discrepancies are the result of different experiences and perceptions of the authors, and also emphasize the complexity and breadth of the term in question. One of the more frequently cited definitions of a knowledge worker is that formulated by T. Davenport. According to him, knowledge workers have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, distribution, or application of knowledge. In short, as he emphasizes, they think for a living (Davenport, 2008, 217). The cited author points out that knowledge workers differ from white-collar workers in that they not only process data through thought processes, but also analyze it, understand it and create qualitatively new knowledge. They need to effectively use and

constantly update their knowledge. Their work is by definition innovative - the problems they solve and the opportunities they exploit are completely new (Łysik, 2011, 57).

Problems in attracting knowledge workers and talent are mainly due to the rising cost of recruiting these employees and the difficulty in identifying them (c.f. Miguélez and Moreno, 2014; Yigitcanlar et al., 2007). Nor is it an easy task to retain these types of employees in an organization (Idrees, 2023), which is mainly due to their strong sense of independence and need for autonomy (Darr, 2003; Väänänen et al., 2020).

The high level of mobility of knowledge workers is derived from professionalism based on individual competencies, perfection in action and intellectual activity. The time and place of work provision are no longer relevant, as the knowledge workers, with the means of communication and connectivity, as well as the sought-after competencies, can work anywhere (Morawski, 2005, pp. 204-207). It is the organization that is more interested in the knowledge and experience they possess than the workers themselves, who do not need a specific institution to develop their careers (Jemielniak and Koźmiński, 2008). This mobility and independence make retaining such valuable employees a critical challenge for organizations (Gupta, 2023). Embracing a human-centric management approach allows organizations to effectively address these challenges by fostering a supportive environment that values and leverages the autonomy and mobility of knowledge workers.

Managers' efforts to reduce excessive turnover, therefore, should focus particularly on employees whose loss can be a problem for the organization and cause it additional costs. A. Lipka rightly points out that the key issue here is the risk of losing knowledge that is essential for the company to maintain its competitive position – knowledge is the so-called risky (at-risk) value, associated with the specific people who possess it. Consequently, the literature advocates for knowledge-oriented turnover management (Lipka, 2021). For organizations striving to be human-focused, this emphasizes the importance of creating a work environment that not only values the unique contributions of each knowledge worker but also actively engages in practices that promote their well-being and professional fulfillment, thereby mitigating the risk of losing invaluable human assets.

Knowledge being a source that can be constantly renewed, expanded, multiplied is a resource of the highest quality and importance for any organization operating in the modern economic reality. Importantly, knowledge today is treated as a product that, in addition to material goods, can contribute to the creation of specialized know-how, innovations or inventions in the enterprise (Bykusenge et al., 2017). Thus, knowledge has become the most sought-after commodity and capital, and the efficient use of knowledge already possessed by the organization and the creation of conditions for its development translates into market success for the company (Yeboah, 2023).

After all, it is the employees with knowledge and qualifications who are now capital that is much more valuable than financial and physical capital (Juchnowicz, 2014). Recognizing this potential by managers, especially at higher levels, allows for the development of human capital and retention of the most valuable human resources in the company (Stor, 2022). The manager, on the one hand, should take care of favorable conditions for employees, aimed at not only

retaining, but also attracting people with expertise to the organization (Stor, 2019). On the other hand, an important task for him or her is to develop values, working conditions and facilities not only within the structure of the organization itself as part of internal employer branding, but to take measures to build a positive image of the organization externally through external employer branding (Stor, 2023, pp. 249-252). Such focused efforts in employer branding play a pivotal role in reinforcing the organization's appeal to current and prospective employees, including knowledge workers (Wojtaszczyk, 2012). In times of human-centric management, these efforts are crucial to fostering a culture that not only attracts but also sustains top talent by aligning organizational practices with the personal and professional aspirations of employees.

When looking for tools to manage turnover, special attention should be paid to two elements that determine success in retaining valuable employees in an organization. These are communication (Erickson, 2015) and employee motivating (Lee et al., 2022) which have a direct impact, both on the management of the team to achieve the goals of the organization, as well as on the commitment, loyalty and desire to stay and work in the chosen enterprise. The concept of communication in a modern organization should be considered multifaceted - because it is related to all functions of management: planning and organizing activities, motivating employees to work effectively and exercising control over human resources at the disposal of the organization (Penc, 2010, pp. 113-114). Well-planned communication in an organization permeates almost all areas of company activities, directed to the inside and outside of the organization, and is closely linked to the company's personnel strategy and the level of turnover. There is always a feedback loop between the operating strategy of any organization and its communication scenarios: communication builds or inhibits the implementation of the strategy, and the organization's strategy determines the style of communication, strengthening or weakening its effects (Shimizu, 2017). Organizations that focus on the human aspect in their management understand the importance of interpersonal communication in social and organizational relationships for the success of their businesses.

The responsibility for shaping the level of turnover in an organization rests particularly with management. Mistakenly, in most cases it is only the HR department that is charged with this task. It is up to managers to retain employees in the company. Skillfully using the tool to shape, or rather retain, valuable, competent employees, managers can effectively control the level of turnover (Naz et al., 2020). To steer turnover in a positive way – to retain employees who are valuable to the organization – managers, when selecting techniques and tools, can follow the *four C's keepology*, where the key four qualities are (Branham, 2001, p. 17):

- caring,
- commitment,
- creativity,
- common sense.

The *Give and Get Back* approach has also been developed in response to the growing interest in issues related to how to retain employees in an organization. This approach shows

how to invest in employees so that it is a returnable and profitable investment. It refers to the use of non-salary motivation measures, which should be structured in three stages, such as (Rychwalska, 2010, p. 80):

- identification of key employee needs,
- building an image as an employer of choice,
- proper selection for the job and a planned development path.

Identifying the key needs of employees focuses on determining the basic expectations of the employee from the employer, who should develop rules for motivating and effectively developing an individualized career path. Of key importance here is the process of motivating employees. The influence on employee motivation is present in the organizational environment and in the process of human resource management at virtually every stage of the life of an enterprise - employees recruited to the organization are motivated, motivating systems are created to achieve the goals set by the organization and the personal development of employees, and finally people are encouraged to stay with the organization (Martin, 2020). Without motivating incentives, or rather, a deliberately planned incentive system, an organization cannot expect people to work productively, to be committed and to remain in an employment relationship with the chosen organization. The most effective motivator, studies have shown, is the job itself, as long as it is in line with the employee's competencies and interests, as it allows for self-improvement and professional and intellectual development. In addition, it is a strong element that builds an employee's loyalty to the company and an important argument against leaving the company, for example, if a competing company tries to take over an employee (Kopertyńska, 2009). For an organization to attract and retain highly competent individuals, it is indispensable to create particularly favorable conditions for them to work, to be recognized, to feel a sense of influence on the organization's activities, and finally - to be motivated. In this context, a special role, if not the leading one, is played by the manager-leader, who should present an integrative-flexible style of HRM, devoting special care to the area of building positive relations with employees. Studying the needs of employees is also important in the context of managing turnover. As R. Cynk explains, if you want to stop employees from leaving the company, you must first examine what are the reasons influencing such a drastic decision. She suggests that if the motives are beyond the organization's control – they should be accepted, because nothing can be done about them. However, any other factors influenced by the organization should be thoroughly analyzed and judged to assess whether valuable people are leaving the company due to management negligence (Cynk, 2016, s. 73).

Being an organization where people want to work, or what is known as a good employer image, is another challenge. Managers play a crucial role here. Their tasks include building and spreading an employee-friendly organizational culture and creating the image of an employer of choice. Observations of the labor market show that traditional methods of motivating employees are not enough to satisfy employees (Rakowska, 2020) – the high degree of diversity in society makes it almost impossible to use uniform tools to influence employees (Cewińska

and Mizera-Pęczek, 2017). With the help of organizations in retaining valuable employees comes *employer branding*, which according to A. Baruk means the totality of a company's internal and external activities related to managing the social potential of the organization, shaping its size and structure, and improving it by creating favorable conditions for employees' involvement in the company's activities and increasing its market efficiency, as well as attracting the right employees from the labor market (Baruk, 2006, p. 13). Similarly, M. Stor assumes that employer branding, also called employer brand management, is a set of activities the organization undertakes with the intention of promoting, distinguishing, and preserving its image on the internal and external labor market as an attractive and preferred employer, and thus, focused on current and potential employees to acquire and retain the right people in the organization, thanks to whom the organization is able to realize its goals and strategies. Hence, the idea is to become an employer of choice (Stor, 2023, p. 252).

In the above context, the purpose of *employer branding* is to build a consistent and positive image of the company as an employer in the opinion not only of the company's employees but also of key candidates in the labor market. Employer *branding* activities can include introducing an employee to the company, the recruitment process itself, health care, benefits and bonuses, organizing teambuilding trips, publishing company newspapers and investing in human capital, such as training. In order to develop employer branding in the company, it is also important to delegate authority and empower employees, and allow them to participate in the life of the company (Wojtaszczyk, 2012).

Unfortunately, there are still employers who mistakenly believe that the role of the employee is only to fulfill the task assigned to him or her so as to bring profit to the company – termed 'toxic', treating their staff only as a necessary part of production, on a par with machines and other production technology. People will never want to work with such leaders, no one wants to be treated as an object. Creating the image of an attractive employer worth working for and staying with the organization undoubtedly requires (Stuart-Kotze and Dunn, 2011, p. 14):

- creating a climate of trust and openness,
- two-way flow of information,
- equal development opportunities for employees,
- optimism and empathy,
- high degree of job security,
- empowerment of employees' decision-making competency (*empowerment*).

Referring to the previously mentioned organizational communication and employee motivation, both would be ineffective without the trust that employees and managers must have in each other for the former to want to stay in the organization (Kujala et al., 2016). This is because the formation of a culture of trust fosters not only greater productivity, but above all a willingness to share knowledge and build a sense of community with the organization – of being a real, full-fledged member, which consequently determines staying within its structures

(Jabeen and Isakovic, 2018). After all, in an atmosphere of understatement, conjecture, lack of open communication between employees and manager, it can lead not only to a decrease in the quality of work but even lead to a decision to leave the company. To create an atmosphere of trust in the team, the leaders themselves should set an example of a trustworthy person. The interdependence of team members in achieving the set goals should be emphasized. The leader should instill in individual team members a sense of commitment and connection to the team (Stuart-Kotze and Dunn, 2011, p. 167). This mutual trust increases motivation to work and the desire to stay in the organization. Building mutual trust within an organization is especially crucial if the organization aims to truly embrace human-centric management, rather than merely creating a facade of such an approach.

The final element in the “Give and Get Back” concept is the right selection for the job and a planned development path. To ensure a successful retention system, a well-thought-out personnel strategy must be in place and consistently implemented. The work begins even before the knowledge worker is hired. Recruitment and selection of employees should be carried out according to previously thought-out criteria – it is necessary to know exactly who the company is looking for, what competencies the employee must have or what predispositions he or she should manifest (and in what intensity). It is estimated that “turnover costs are 30% to 200% of an employee’s annual salary (Spychała et al., 2019, p. 166). Since the cost of employee departure is so high, every organization should take special care of its internal stakeholders.

It also falls on managers looking to reduce negative turnover to continually invest in employee development. This is another of the tools for reducing turnover in an organization. Training should take different, individualized forms, tailored to the needs of employees. The most beneficial are training courses organized by the employer related to the specifics of the company’s operations. They have an impact on increasing the satisfaction and decreasing the fluidity of the staff. It is important to select training courses in terms of their usefulness only for a given organization. Investing in training is a signal that the employer cares about the employee. In addition to traditional forms of training, an interesting alternative for developing knowledge and competencies is to work with managers on a *managerial* coaching basis. Managerial coaching is mostly understood as a management style that requires both preparing managers to combine the role of a coach with that of a manager and training them to apply coaching procedures, techniques and tools at specific points in their work with their subordinates (Czarkowska, 2011, p. 53). The coach/manager is tasked not only with directing the work of subordinates, controlling performance and motivating committed work, but also with developing employees’ competencies in the social, communication and technological areas. All of this supports the organization in building foundations for human-focused management.

Finally, a tool for regulating turnover are procedures for when employees leave the organization. The effect of not having procedures is to lose an opportunity to retain a valuable person, acting under the influence of emotion or treating the departure of a talent like any

other resignation of an employee, which shows the shortcomings of the HRM strategy (Czarkowska, 2011, p. 124). A common behavior on the part of employees is to communicate their desire to leave in order to trigger a response from the employer. Pre-prepared procedures make it possible to react in such a situation in a structured way – to undertake negotiations and talks aimed at explaining the reasons why the employee wants to leave the company and to launch actions aimed at retaining him or her. Moreover, such procedures allow for self-reflection aimed at making a diagnosis – why such a situation occurred and how to prevent it in the future.

Fluctuation in an organization cannot be prevented, however, by using tools and techniques tailored to the specifics of the company, it is possible to reduce its level. It should be emphasized that only a strategic approach to managing turnover, as part of a personnel strategy, is able to prevent employees from leaving and the need to hire new people. However, these tools should be used systematically to counteract mass departures in a timely manner.

Summarizing, effective management of knowledge workers within a human-centric framework entails recognizing their unique contributions and nurturing an environment that supports their professional growth and autonomy. Key practices such as strategic communication, personalized development programs, and a strong focus on building trust are crucial. These elements not only help retain these valuable employees but also contribute significantly to sustaining organizational competitiveness.

6.3. The Methodics of the Conducted Empirical Research

The empirical research presented in this chapter of the monograph involved a survey of owners and managers of small and medium-sized enterprises, as well as a case study based on interviews conducted in one such company. Both the survey and the case study are part of the author's doctoral dissertation and are aimed at developing a knowledge worker retention tool tailored to the specific operations of small and medium-sized enterprises. Hence, for the purpose of the study discussed here, the author used selected elements of interviews and surveys that address the issues raised in this chapter, and which enable the achievement of the chapter's stated goal.

The survey was conducted among owners and managers of small and medium-sized enterprises operating in the Greater Poland (a region placed in west-central Poland, originally named "Wielkopolska" in Polish language). The sample 55 companies. The survey tool consisted of 19 questions. To develop the tool, selected questions were used from the tool for surveying methods of managing knowledge workers in small and medium-sized enterprises developed by M. Morawski (2009) and the ERC survey on talent management practices (Talent Management..., 2012). To better align with the chapter's goal, three questions from the research questionnaire were used regarding the identification of risks in the enterprise, knowledge worker turnover, and the methods and tools for managing knowledge workers, as well as the benefits offered.

The case study was conducted using in-depth interviews with the CEO and an HR and payroll specialist, and a focus group interview with knowledge workers. The object of the study was a manufacturing company with 60 employees, headquartered in Eastern Wielkopolska, operating in the market for more than 20 years. The research was conducted in accordance with the methodical guidelines according to a scenario prepared in advance. The interview excerpts to be referred to in this chapter are aimed at obtaining detailed information about the problem and the scale of knowledge worker turnover, as well as gaining insight into the company's ways of dealing with the negative effects of this phenomenon. On the other hand, the focus group interviews with knowledge workers were aimed at assessing the company's tools for reducing turnover for this group of employees.

6.4. The Empirical Research Findings

The survey revealed that companies identify personnel risks related to knowledge worker turnover (94.55% of companies). For 98.18% of those surveyed, both knowledge worker retention is a major challenge and knowledge worker turnover is a major problem for 96.36% of enterprises. Given the scale of the problem, the enterprises are taking activities to retain knowledge workers using different management methods and tools. In addition, they use different management methods and tools for this specific group of employees than those used for the rest of the workforce. As for the activities undertaken by the surveyed companies to counteract knowledge workers turnover, the results obtained in this area are presented in Figure 5.

The survey results shed light on the most common activities undertaken by companies to counteract turnover among knowledge workers, illustrating a strong focus on employment stability and professional development. Offering employment contracts for an indefinite period and increasing employee responsibilities were each reported by 98.2% of the surveyed companies, emphasizing a commitment to job security and expanding roles to retain skilled workers. Furthermore, 96.4% of companies promote a clear pathway for career progression, recognizing that opportunities for advancement are critical for motivating knowledge workers. Direct contact with supervisors, indicated by 94.6% of companies, along with praise from supervisors, noted by 92.7%, highlight the importance of supportive management and regular feedback in maintaining employee satisfaction and loyalty. Additionally, 90.9% of firms stress the value of independence on the job, suggesting that autonomy is a key factor in fostering a fulfilling work environment that can help reduce turnover rates. These represent the six most frequently indicated actions taken by companies in the survey.

Moving on to the analysis of the selected case study, it is important to note that although there is no formal definition of knowledge workers in the surveyed enterprise, they are referred to as key employees. The terms obtained from respondents in this regard are included in Table 13.

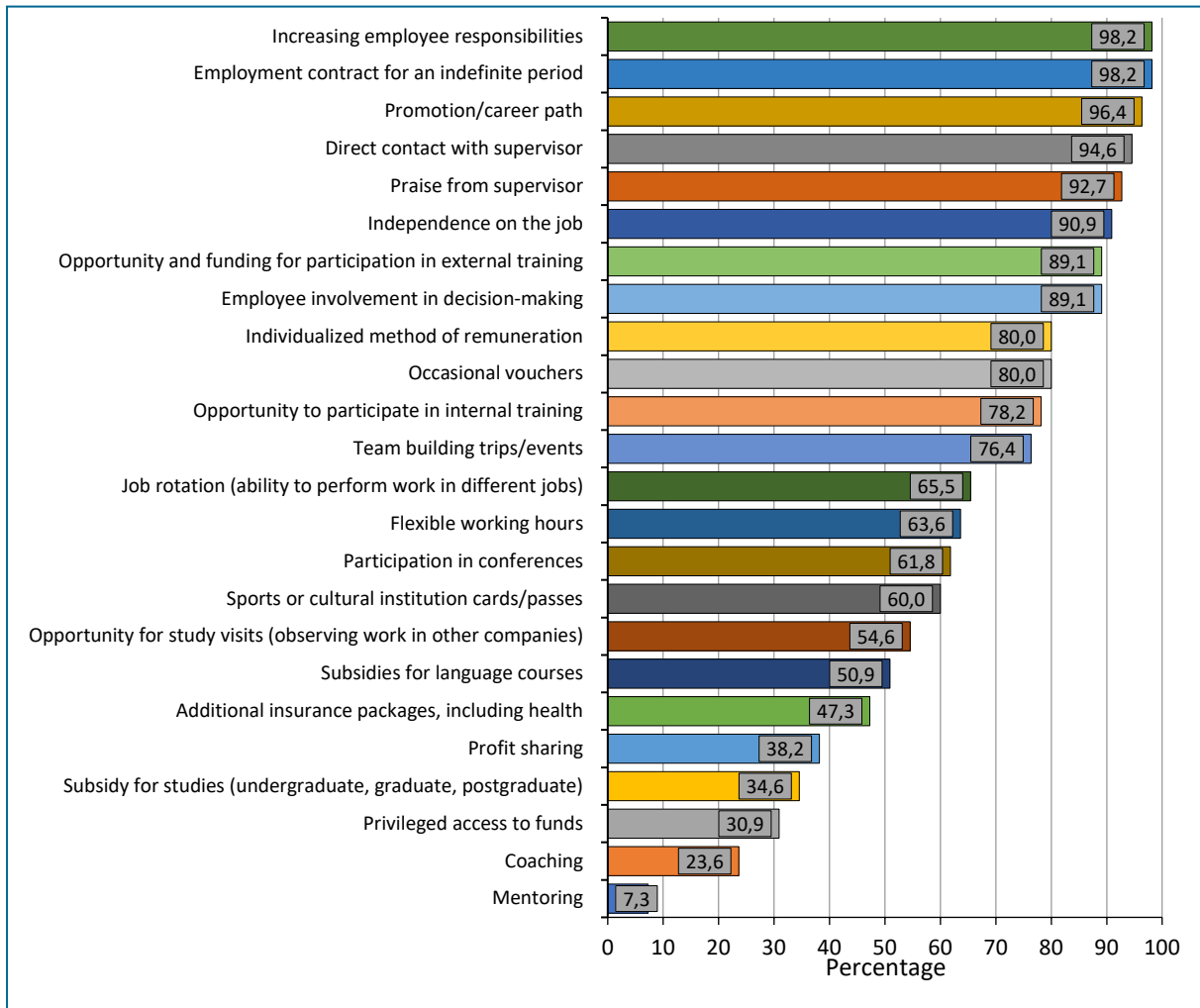


Figure 5. Activities undertaken by enterprises to counteract knowledge workers turnover

Source: own empirical research.

Table 13. Respondents' descriptions of key employees

Analytical unit	Respondent's statement
[CB]	„we have a group of employees in the company who are extremely valuable to me, because thanks to them I can achieve the goals of my company.” „(...) all employees who are valuable to me hold key positions, and all other employees know that this is the case.”
[SPEC]	„So, after analyzing these descriptions here, I believe that all these qualities are possessed by employees who hold managerial positions in our company, and they are counted among the key employees for the owners of the company. The owners consult with them on the most important issues, they very often participate in meetings with the owners of the company. This group is directly informed by the owners about long-term plans and business strategy.”

Note:

[CB] – chairperson of the board; [SPEC] – human resources and payroll specialist.

Source: own empirical research.

The surveyed company has a problem of knowledge workers turnover, but the company is unable to determine the size of the problem because it does not measure turnover rates. However, it indicates that employee turnover is a large and important problem, and it has vacancies for knowledge workers due to the difficulty of acquiring them. The main statements in this regard are presented in Table 14.

Table 14. Respondents' views on turnover measurement

Analytical unit	Respondent's statement
[CB]	„(...) we do not analyze employee turnover quantitatively”. „(...) all the time I am accompanied by the fear that I might lose the employees who form the core of my company”. „(...)Acquiring knowledge workers is a problem for the company”. „(...) I personally ‚shop around’ in the job market and initiate conversations with employees of other companies in an effort to encourage them to work for my company.”
[SPEC]	„(...)No. The company does not examine any indicators related to employees”.
[PW2]	„(...) I think the chairman calculates all the time whether any of us wants to change jobs, that someone from the competition will intercept us. There have been situations like this, and there have been times when a person's opinion did not change after talking to the chairman.”
Note: [CB] – chairperson of the board; [SPEC] – human resources and payroll specialist; [KW2] – knowledge worker 2.	

Source: own empirical research.

Personnel processes directed at knowledge workers are implemented differently than for other employees. Personnel processes have not been written down in the company in the form of procedures, but according to the CEO, they have evolved significantly during the company's two decades of operation through self-improvement of his way of managing employees. The person responsible for the overall personnel policy is the CEO. The staff team also includes a human resources and payroll specialist whose main task is to prepare and maintain employee records, calculate salaries and monitor labor laws.

The workforce planning process is informally based on the dynamic needs of the company, without a structured workforce plan. It relies on requests from project managers who determine the number of employees needed based on project schedules and submit requests for additional staff if necessary. Similarly, directors of organizational units request new hires to fill vacancies due to employee departures, leaves, or new duties from organizational changes or legislative requirements. Ultimately, all hiring requests are directed to the CEO, who makes the final decisions. The CEO also has the authority to independently initiate the hiring process for candidates who meet specific competence expectations. This process applies uniformly across the company, though the hiring of knowledge workers is specifically initiated by the CEO.

The staffing process for knowledge workers at the company involves three main stages: recruitment, selection, and adaptation. Initially, the company actively recruits by posting

advertisements online and contacting universities, despite facing challenges in acquiring talent due to persistent vacancies. The CEO personally engages in recruitment efforts, signaling the company's readiness to welcome new talent at any time. During recruitment, profiles are created for candidates, announcements are published, and preliminary selections are made. Selected candidates are then invited for interviews, primarily conducted by the CEO for knowledge workers, which highlights the CEO's direct involvement compared to other roles where designated managers take over. Once hired, the adaptation process for knowledge workers is led by the CEO and includes mentoring and coaching. This stage ensures that new hires are well-integrated into the company's culture, learning about customers, procedures, and the broader organizational environment, with support from other knowledgeable employees. This streamlined process aims to efficiently bring on board and nurture key talent, aligning them closely with the company's strategic goals.

The company has a compensation system dedicated to key employees, which differs from that of other employees. Knowledge workers receive performance bonuses and bonuses for innovative ideas and new solutions. In addition, they receive an annual bonus at the end of the year depending on the company's financial performance. They also have privileged access to company cars and choose their own work tools in the form of computers or telephones.

The company also targets a group of knowledge workers with a number of non-salary motivation methods, the main purpose of which is to satisfy ambitions and create conditions for professional development. According to the CEO, these are necessary to retain the most important people in the company. Non-wage benefits offered to knowledge workers include:

- indefinite contract – the first contract concluded with the company is an indefinite contract, in this way, according to the CEO, the company sends a signal to the employee that this position in the company is privileged and bestows on this employee a “mandate of confidence”;
- direct contact with the CEO, who is open to discussion and exchange of opinions, but above all tries not to interfere with projects if the project manager does not raise problems;
- the possibility of upgrading skills according to the current needs reported by knowledge workers, for example, by taking any training, postgraduate studies, or even doctorates in the form of implementation doctorates, which are particularly encouraged;
- leading or participating in innovative R&D projects (the company has the status of an R&D center and carries out internal R&D projects);
- autonomy and self-reliance in decision-making;
- opportunity for promotion according to the expectations of knowledge workers;
- praise given publicly at meetings of managers, board members and owners (including, for example, personal thanks in the forum of invited guests during organized conferences for company clients);
- participation in study tours, conferences, trade fairs;
- team-building trips intended only for key employees (including distant foreign trips in the form of excursions).

The performance of knowledge workers is not systematically appraised. Their formal performance appraisal takes place no more than once a year. Most often it takes place at the end of the calendar year when annual bonuses are paid. This performance appraisal is carried out personally by the company’s CEO. During the interview, there was no clear answer to the question about the methods of such appraisal. Other employees also undergo irregular performance appraisals, but in some cases, these appraisals are formalized and documented using a performance appraisal sheet. These appraisals are conducted by direct supervisors. The results of the appraisals are then presented to the company’s CEO.

Training for knowledge workers is initiated by the company’s management or by the employees themselves. These include language, managerial and specialized/industry training. The organization and delivery of managerial and specialized/industry training are outsourced to external companies and take place outside the company.

Table 15. Respondents’ views on financial motivations for employee departures

Analytical unit	Respondent’s statement
[SPEC]	„From my observations, the main reason is the search for better financial conditions.” „There is always a conversation with the immediate supervisor or the CEO. We want to know why the employee wants to leave. If the company cares about the employee then it makes an effort to keep him.”
[KW1]	„when someone is determined to leave, they don’t necessarily want to explain themselves, so I don’t know for what reasons a person leaves, but if you don’t know what it’s about, it’s often about money.”
Note: [SPEC] – human resources and payroll specialist; [KW1] – knowledge worker 1.	

Source: own empirical research.

The surveyed company is taking steps to find out the reasons for employee turnover by inviting departing employees for a direct interview with the CEO, who wants to know the reason for the employee’s decision. The main reason indicated by all interview participants was financial, as shown in Table 15.

6.5. Summary and Final Conclusions

The main goal of this chapter was to identify and evaluate methods of managing turnover among knowledge workers in SMEs, interpreting these phenomena through the lens of the human-centric management paradigm. Based on the empirical research discussed in this chapter, this goal has been achieved regarding the identification of these methods. It is now pertinent to evaluate these methods and interpret them according to the promised human-centric perspective.

Evaluating these methods from a human-centric management perspective reveals a comprehensive approach that includes more than just strategic communication, personalized

development programs, and a focus on trust and autonomy. The analysis indicates that effective human-centric management also heavily relies on employer branding efforts. These efforts are crucial as they help in shaping the organization's image both internally and externally, thus making the organization attractive not only to potential hires but also aiding in the retention of current employees by aligning organizational practices with their values and career goals.

Furthermore, engagement and motivation strategies are instrumental in this context. Beyond mere job satisfaction, these strategies are designed to tap into deeper levels of employee engagement where knowledge workers feel genuinely valued and see personal growth opportunities within the company. This includes providing meaningful work that aligns with their professional aspirations and personal values, which is a cornerstone of human-centric management. Additionally, the need for adaptive and flexible work environments is highlighted as particularly important for knowledge workers who value independence and may thrive under conditions that allow greater autonomy and flexibility. This adaptability not only caters to their work preferences but also enhances productivity and creativity, key traits of knowledge workers.

Comprehensive onboarding processes and continuous development opportunities are also essential components. Ensuring that knowledge workers are continually engaging with new challenges and learning opportunities helps maintain their interest and commitment to the company. Proper integration into the company's culture and ongoing professional development are thus fundamental for long-term retention. Simultaneously, performance management and feedback systems that are transparent and constructive also play a critical role in human-centric management. These systems help maintain clear communication and provide regular feedback, fostering an environment of continuous improvement and open dialogue, which is crucial for the retention of knowledge workers.

In conclusion, adopting a human-centric approach in the management of knowledge worker turnover in SMEs requires an integrated strategy that encompasses these elements. By effectively implementing these practices, organizations can ensure that they not only retain their most valuable assets but also enhance their overall competitiveness and sustainability in the business landscape. These efforts culminate in creating an organizational culture that is truly focused on humans, where the well-being and development of every individual are paramount. This approach not only supports the retention of key talent but also aligns with broader organizational goals, leading to a more cohesive and productive work environment.

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