

# Employee Attrition vs. Retaining Organization Knowledge

## How Automation can Help?

### **Andy Davidson**

Director of Credit and Account Receivables

- Commercial Credit Analyst and Account Resolution Manager
- 20+ years of experience in the financial services industry
- Strong expertise in Credit Analysis, Collections, Recovery, and Customer Retention

# About Masonite

Masonite manufactures interior and exterior doors, door components, and door entry systems. It is one of the world's largest manufacturers and merchandisers of commercial and residential doors.

- In the industry for over **95 years**
- Headquartered in **Tampa, Florida**
- Serving approximately **8,500 customers in 60 countries**



## Poll question

**Based on your experience what is the average **ramp-up** time for a new hire?**

- A. 5-6 weeks
- B. 2-3 weeks
- C. Up to 2 months
- D. Beyond 3 months

# 6 months

**is typically the ramp-up time for a new senior employee who leads a team of 50-100 people. During this period, the incoming person's team operates at 52% efficiency.**



# Talent War is Mandating Knowledge Transfer

Average new employee tenure has come-down to **24 months**

High retiring workforce - **30%** US population is 55 years old and above

**Talent Replacement Inevitable**

 **which increases the chance of knowledge loss due to insufficient knowledge transfers** 

# Conventional Knowledge Transfer is Not Optimal

## Conventional Knowledge Transfer

Instructor-led trainings

Mentorship

Redeployment

On-job training

Work pairing

Documentations



**High costs**



**Side-tracked work hours**



**Decreased productivity**



**Disrupted operations**

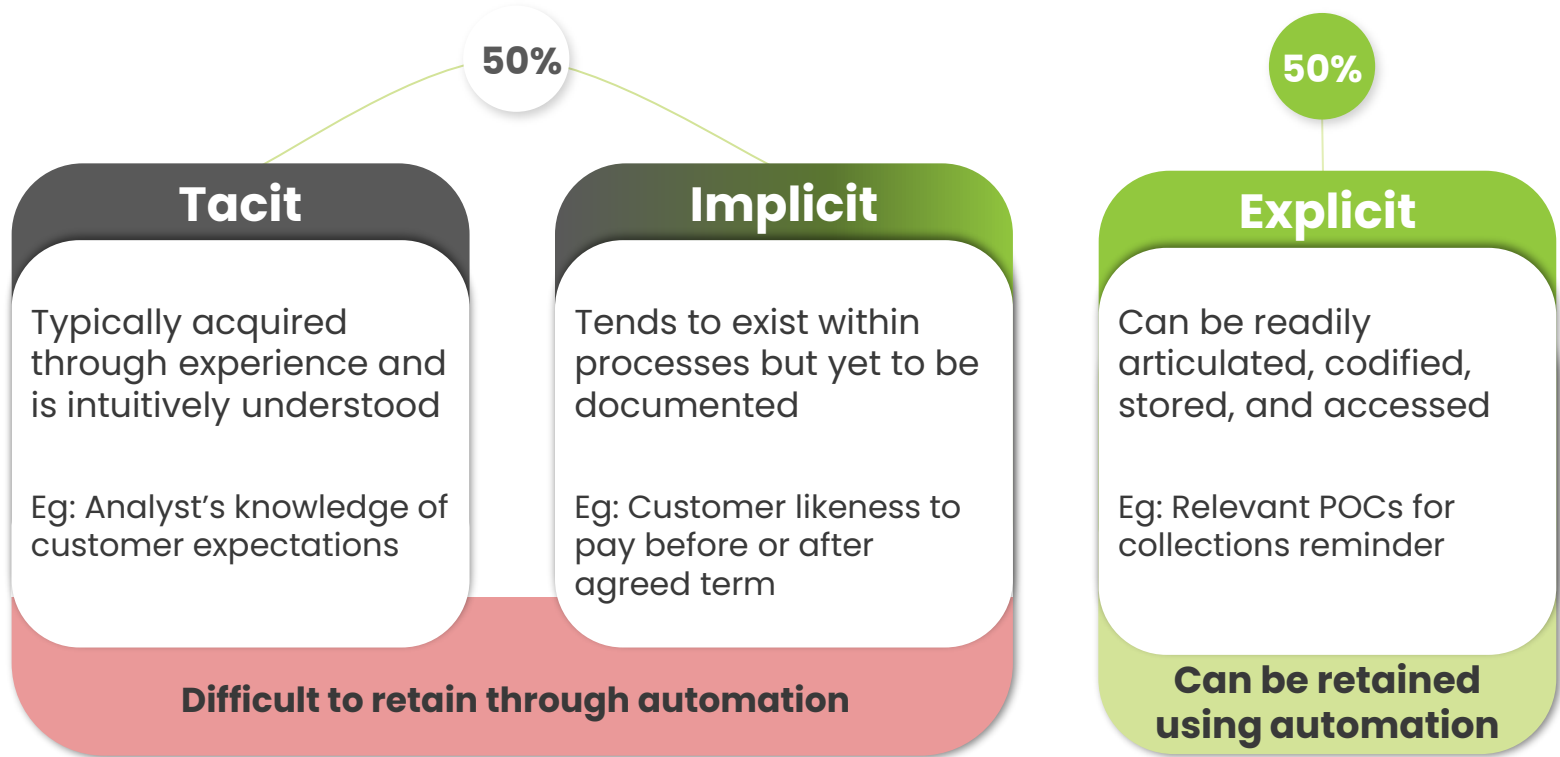
**\$300,000 per week**

**Is the cost of knowledge loss for a company  
with 1,000 employees and 7% attrition**

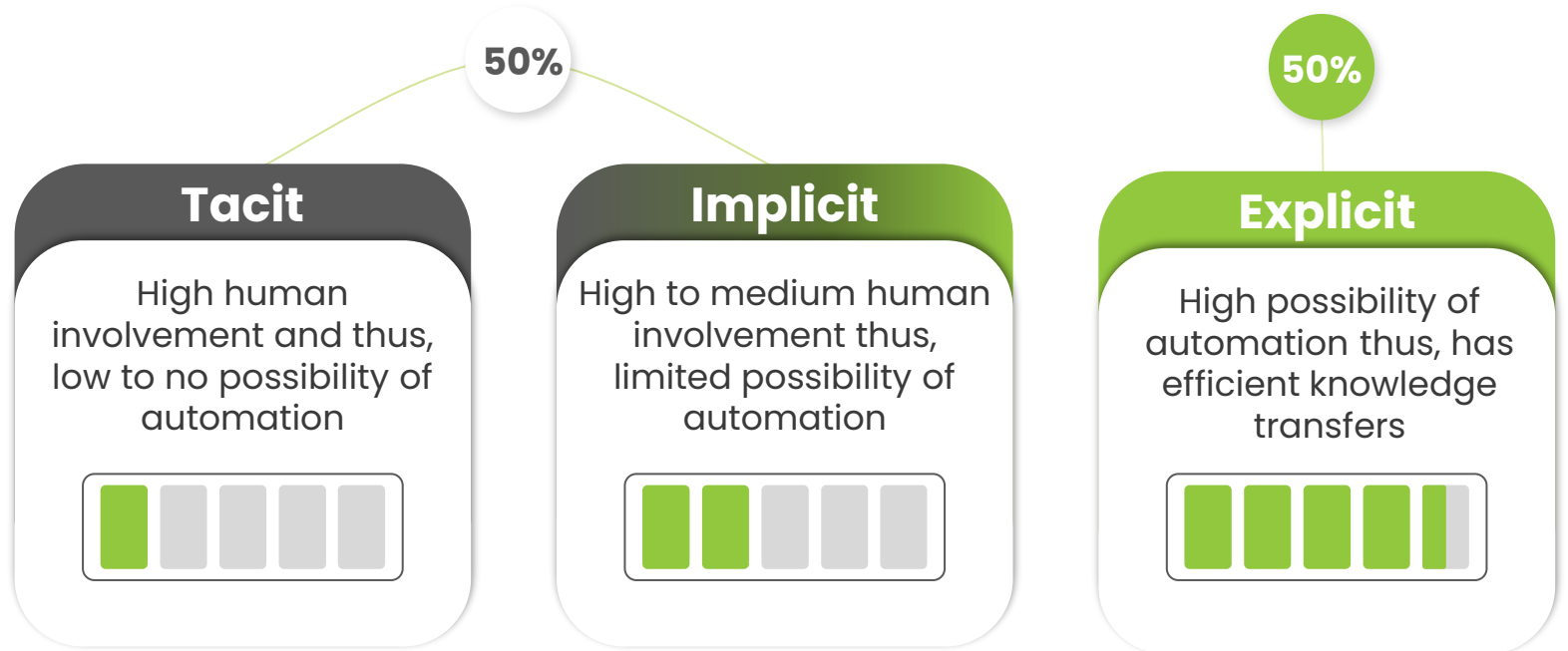
**Can We Save This?**



# Types of Knowledge in an Organization

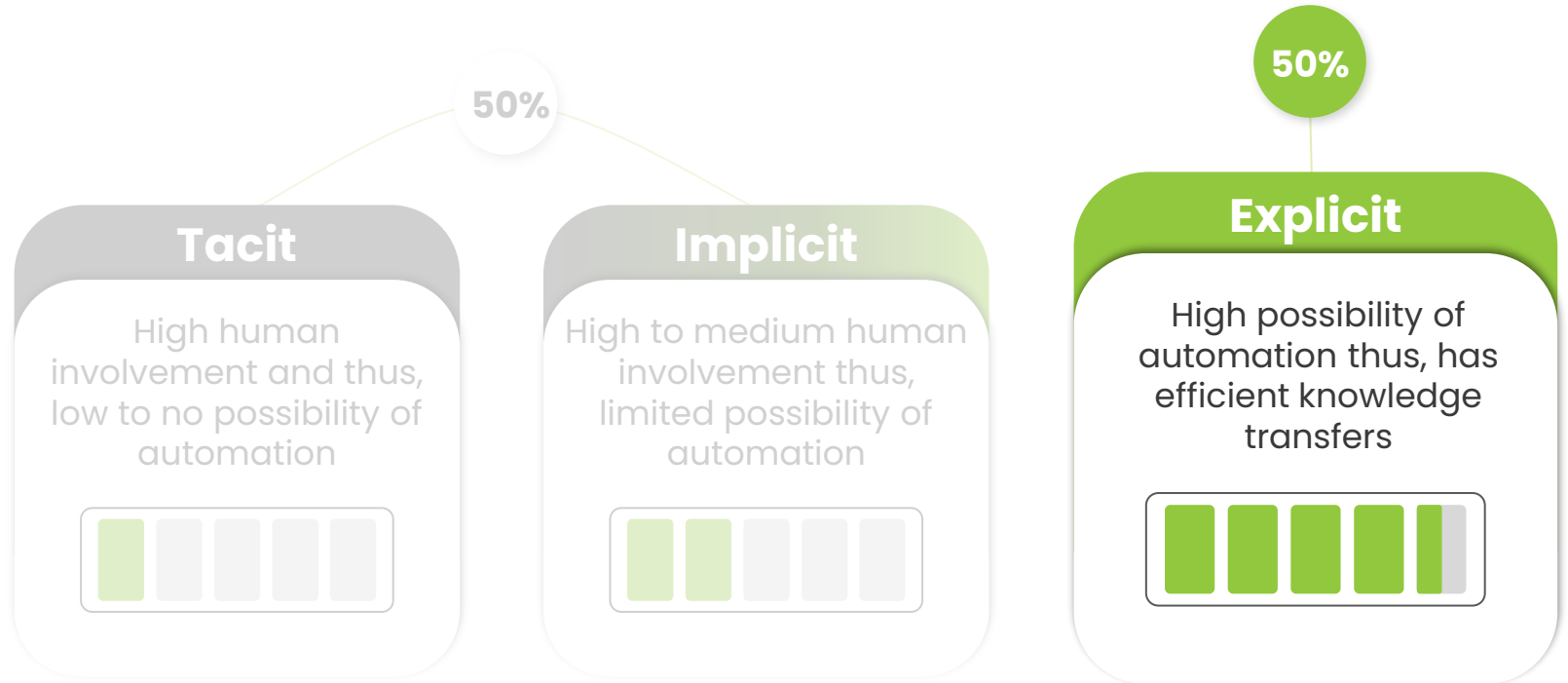


# Of These, Which Can Be Retained Using Automation?



Human to human knowledge transfers increase the possibility of efficiency loss and omission

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# How Automation Aids Knowledge Retention?

## Manual Operations



Outgoing talent's knowledge of a manual process

- Process fundamentals
- Operational intricacies
- Client rapport



## Conventional KT



Replaced talent's knowledge

- Manual process fundamentals (*rest mostly gets lost in transition*)

## Automated Operations



Outgoing talent's knowledge + retained knowledge via automation

- Process fundamentals
- Operational intricacies
- Client relationships



## Automation Aided KT

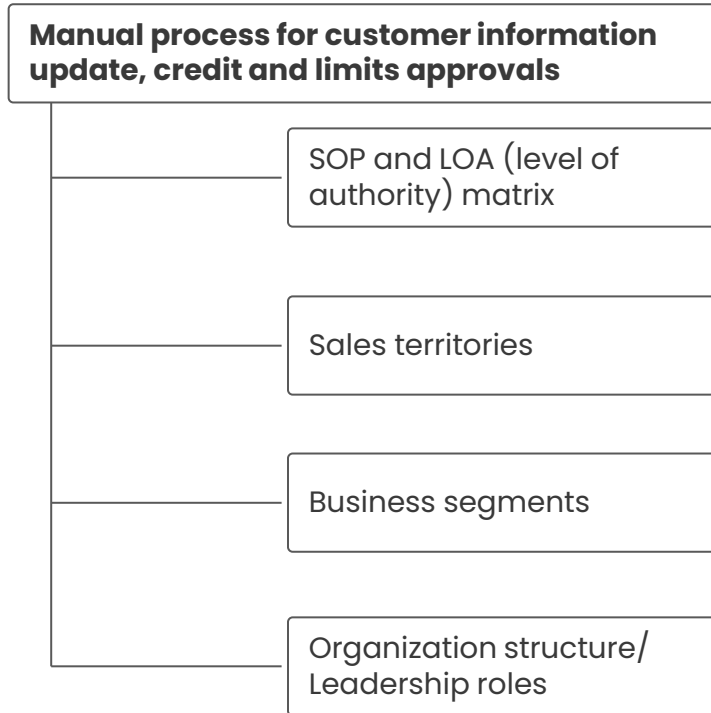


Replaced talent's knowledge

- Process fundamentals
- Operations data analytics
- Client intelligence

# Pre-Automation Knowledge Retention at Masonite

## Analyst Knowledge in the Manual Setup



## Knowledge Retention Challenges Due to Manual Process



**Analyst training was costly and stretched over days**



**Required intricate knowledge of manual process**



**Know-how of organizational hierarchy to allocate approvers**

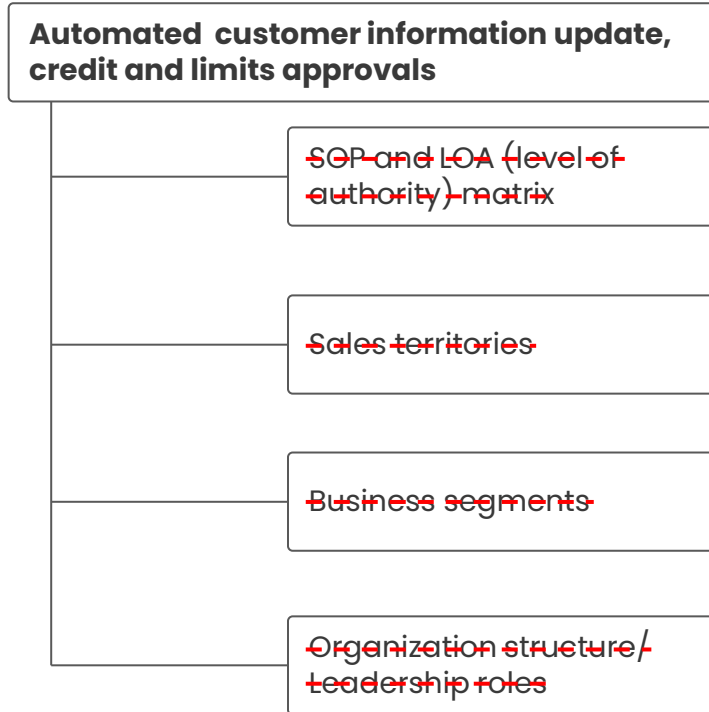


**Multiple teams responsible for knowledge retention**



# Post-Automation Knowledge Retention at Masonite

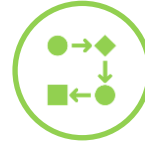
## Analyst Knowledge in the Automated Setup



## Positive Knowledge Transfer Outcomes After Process Automation



Training time and costs came down significantly



Streamlined process allows easier knowledge transfers



Auto approver allocation helps navigate org. hierarchy with ease



Knowledge retention sits with one team reducing complexities



**But Wait,  
Before You Automate**

# **1 Out of 3 US Adults**

**are worried about new technology  
eliminating their jobs**



# Automation Anxiety is Real and Needs Attention

## Why Automation Anxiety?

- Fear of substitution
- Seen as an unnecessary change
- Technological unawareness

**Future of work will not  
replace human talent.  
Automation and  
workforce will coexist.**

## How Should Leadership Position Automation?



**Provide clear visibility of automation's impact and intent**



**Enabling workforce to explore more opportunities**



**Allowing legacy workforce to do their same job better**



