

# Chapter 56

## Organisational Learning Dimensions and Talent Retention Strategies for the Service Industries

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### ABSTRACT

*This chapter explores the contributions of organisational learning dimensions and talent retention strategies within an organisation to the development of innovative products/services and business sustainability. A literature review approach was adopted to investigate the link between intra/inter-organisational learning, talent retention strategies and business sustainability. It was found that an organisation needs to invest in continual learning and retention of talented employees to ensure business sustainability in the service industries. The ability to keep high-calibre human capital within an organisation is one of the greatest sources of sustainable competitive advantage. Judging from the global demands for a high calibre of talents, it is extremely difficult if not impossible to retain talents within an organisation for a long period of time. This chapter proposes a framework for developing innovative products/services to enhance business sustainability in the service industry through continuous learning dimensions and upgraded talent retention strategies.*

### INTRODUCTION

Service-rendering organisations are becoming a more lucrative line of business in the 21<sup>st</sup> century. In spite of the business opportunities, companies operating in the service industries are confronted with present-day challenges such as volatility, uncertainty, complexities and ambiguity (Bennet & Lemoine, 2014). Other challenges include meeting customers' demands and satisfaction amidst volatility (Ambe,

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2010), talent retention within an organisation (Festing & Schäfer, 2014), and investing in technological innovations in the service industry (Helbing, 2013; Kindström, Kowalkowski, & Sandberg, 2013). The sustainability of a service-rendering organisation depends on its flexibility in meeting customers' demands and satisfying their needs in the midst of volatility. In this context, timely response to the variations in the business environments is also required. Sustainability in the 21<sup>st</sup> century makes it mandatory for companies to transform their business processes and marketing practices (Kotler, 2011). The management of a service organisation should embrace continuous updates of skills at individual, team and organisational levels, and retain a competent workforce for excellent service delivery. Appropriate investment in technological innovations (Helbing, 2013) is also key to improving service delivery to customers, which is a great source of competitive edge in the industry. An improved service delivery is usually targeted at enhancing customers' satisfaction, loyalty and retention (Cudjoe, Anim, & George, 2015). For example, regular update of skills and effective talent retention strategies are necessary for enhanced service quality; leading to customers' satisfaction, loyalty and retention.

This chapter adopted a critical analysis of relevant literature on organisational learning dimensions, talent retention strategies, business process improvement, the role of technology in business process improvement, and managing knowledge and technology in service organisations to develop a framework for business sustainability in the service industry. This chapter refers to business sustainability in the service industry from the perspective of ecological modernisation business, which dwells on organisation seeking self-interest without endangering other stakeholders and nature (Stubbs & Cocklin, 2008a; 2008b; Van Marrewijk, 2004). Business sustainability in this sense is beneficial to the organisations, employees', customers, suppliers, and other stakeholders in the industry, as well as the environment

A process is proposed in this chapter to enhance customers' satisfaction and retention, which can be achieved through excellent service delivery of organisations operating in the service industry. The position put forward in this chapter is that enhanced return on sales, market share, customers' satisfaction, loyalty, and retention through organisational learning, talent retention and continuous process improvement are unique sources of business sustainability for service-rendering organisations in the 21<sup>st</sup> century.

## **BACKGROUND**

In tracing the evolution of business processes and performance in various industries, it is observed that there were many manufacturing industries in the 20<sup>th</sup> century and that these industries constituted a more profitable line of business than the service industries in that era (Heames & Harvey, 2006). Recently, however, the percentage of service industries has surpassed those in the manufacturing sector due to the fact that service-rendering organisations are capitalising on sophisticated information technology to expand beyond borders (Atiku & Fields, 2017; Heames & Harvey, 2006). The paradigm shift in business processes occasioned by high levels of collective intelligence and green innovations can be used to understand why some service organisations now thrive more than their manufacturing counterparts. The manufacturing organisations are still confronted with high operational costs such as the cost of plants and machinery, raw materials, high electricity and other utilities, high wages, advertising, and supply chain of finished products (Kara, Bogdanski & Li, 2011). The service organisations, on the other hand, incur less overhead expenses as a result of improved business processes, through the use of sophisticated technological innovations (Hameri, 2011). For example, Amazon and Google are building on their levels

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