

The Realistic Dilemma, Theoretical Logic and Practical Paths of Motivating Knowledge-based Employees

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Abstract: In the era of knowledge economy, effective incentives for knowledge-based employees have an extremely important impact on reducing human resource management costs, stimulating their internal drive, and increasing their loyalty to the enterprise. Knowledge-based employees possess corresponding professional expertise and high personal qualities. They have a higher level of demand and are more focused on realizing their own value. They attach great importance to achievement motivation and spiritual motivation, possess high creativity and autonomy, and have a strong willingness to flow. The practical dilemma of motivating knowledge-based employees is that the current salary system of organizations cannot meet the personalized needs of knowledge-based employees. The article analyzes the theoretical logic of motivating knowledge-based employees and proposes an effective path for motivating knowledge-based employees, which includes establishing a people-oriented concept, analyzing personalized needs, and flexibly using various incentive methods.

1. Introduction

The 21st century is the era of knowledge economy. Knowledge, together with labor and capital, becomes the production factors of organizations, and is the most important production factor. The competition between organizations is largely a competition among knowledge-based employees. The more knowledge-based employees a company has, the more competitive and comparative advantage it has. Recruiting excellent knowledge-based employees has become the top priority for various organizations to integrate resources. The human resources departments of each enterprise or the headhunting companies hired recruit excellent knowledge-based employees year-round. Knowledge-based Employees are important carriers of technology and knowledge, important production factors for the continuous development and innovation of organizations, and also the main driving force for the continuous growth and expansion of organizations^[1]. If a company has a large number of knowledge-based employees, its performance in production management, product design, marketing, strategic planning, and other aspects will be quite outstanding. Knowledge-based Employees have strong mobility due to their own characteristics. The frequent job hopping of knowledge-based employees in organizations poses enormous challenges to the management of the enterprise, which will inevitably increase the cost of human resource management and have adverse effects on the long-

term healthy development of the enterprise. How to motivate and retain knowledge-based employees and fully mobilize their work enthusiasm has become a major challenge for various organizations.

2. Concept and Characteristics of Knowledge-based Employees

Peter Drucker first proposed the concept of knowledge-based employees, defining them as individuals who master and apply symbols, concepts, and work with knowledge or information. Knowledge-based Employees are now widely regarded as individuals who possess specialized knowledge and skills, pursue work autonomy and continuous self-value enhancement, and possess strong learning and innovation abilities. Knowledge-based Employees can fully utilize modern scientific knowledge to improve work efficiency, and have strong abilities to learn and innovate knowledge. Compared with non-knowledge-based Employees, Knowledge-based Employees have many particularities in personal traits, psychological needs, values, and work methods. Knowledge-based Employees possess corresponding professional expertise and high personal qualities. They have a higher level of demand and are more focused on realizing their own value. They attach great importance to achievement motivation and spiritual motivation, possess high creativity and autonomy, and have a strong willingness to flow.

3. The Realistic Dilemma of Motivating Knowledge-based Employees

The practical dilemma of motivating knowledge-based employees is that the current salary system of organizations cannot meet the personalized needs of knowledge-based employees. Talents are the most precious capital of modern organizations, and knowledge-based employees should have received more attention. The people-oriented incentive concept in real enterprise management has not been fully implemented, and many times knowledge-based employees are used as tools for organizations to seek profits. Many companies have an "organizational centric" mindset, which assumes that knowledge-based employees work only for the benefit of the company, without considering their inner career pursuits, self-worth, and ideal aspirations. At present, most organizations only focus on material rewards such as salary and annual salary, but neglect the motivation of employees at the spiritual level^[2]. As the demand level of knowledge-based employees increases, providing only material incentives cannot effectively motivate them. Money is not the only way for knowledge-based employees to measure the value of their work.

4. Theoretical logic of Motivating Knowledge-based Employees

Motivation refers to a management activity in which managers use internal and external stimuli to stimulate people's motivation, generate an internal drive, and mobilize their enthusiasm, initiative, and creativity to move towards predetermined goals. Through motivation, one can activate their potential and generate higher performance.

4.1 Content Motivation Theories

Knowledge-based Employees have a higher level of needs and pay more attention to the realization of their own value, which belongs to the advanced needs in Maslow's hierarchy of needs theory. Self-actualization refers to the need for personal growth and development, unleashing one's potential, and achieving ideals. It can only be met through internal factors. It can be achieved by providing challenging and creative work, improving the work achievements of knowledge-based employees, and establishing corresponding decision-making participation systems to stimulate their work enthusiasm. Knowledge-based Employees attach great importance to achievement and spiritual

motivation, which belong to the growth needs in ERG theory and the achievement needs in McClelland's three needs theory. Knowledge-based Employees value the sense of achievement of success itself rather than the reward after success.

According to Herzberg's two factor theory, knowledge-based employees pay more attention to motivational factors, which are internal factors that affect people's work and involve higher-level needs such as achievement, responsibility, gaining recognition from others, and promotion opportunities^[3]. By leveraging these factors, it is possible to stimulate the initiative of knowledge-based employees and improve work efficiency. Motivating factors, like exercising, can improve physical fitness and enhance health. The two factor theory reveals the role of intrinsic motivation. To effectively motivate knowledge-based employees, attention should be paid to the motivating effect of the work itself. It is possible to redesign work tasks to enrich the work content of knowledge-based employees, thereby satisfying their high-level needs such as responsibility, growth, and sense of achievement in their work. Organizations should implement goal management for knowledge-based employees, reduce process control, expand their autonomy and scope of work, and provide challenging work tasks to fully utilize their abilities. Organizations should promptly acknowledge and praise the achievements of knowledge-based employees, making them feel valued and trusted. Organizations should handle the relationship between health factors and motivational factors well, be good at transforming health factors into motivational factors, and link the wages and bonuses of knowledge-based employees with personal work performance, which will generate motivational effects and become motivational factors.

4.2 Process-based Motivation Theory

According to Fromm's expectancy theory, people only adopt a specific behavior when they expect it to bring attractive results to the individual. According to the motivational force formula, $\text{motivational force} = \text{valence} \times \text{expected value}$. The size of the motivational force depends on two factors: the efficacy and expected value of achieving the goal. Validity refers to the recognition of the value of the target to be achieved by the incentivized object. Expected value refers to the estimation of the likelihood of the target being achieved by the motivated object, which is a subjective probability influenced by personal factors. Knowledge-based employees place greater emphasis on challenging work, and when setting production quotas and other work goals, organizations should consider the potential challenges of these goals. When knowledge-based employees achieve challenging goals, managers should consider their work performance and high-level needs comprehensively to give fair rewards. Only by catering to their preferences and increasing the value of rewards in the minds of knowledge-based employees can they be given lasting motivation.

4.3 Behaviour Modification Theory

According to Skinner's reinforcement theory, human behavior is only a response to external environmental stimuli. The so-called reinforcement refers to rewarding or punishing a behavior. The outcome of this behavior can to some extent affect or control the recurrence of the behavior. When the outcome of a behavior is beneficial to an individual, such behavior may recur. If employees are rewarded for achieving good results through certain efforts, they may work even harder. On the contrary, when the outcome of the behavior is unfavorable, this behavior may fade away and terminate. In this process, any means that have a reinforcing effect on behavior are called reinforcement objects, such as rewards and punishments. In enterprise management, the use of reinforcement theory can control and transform employee behavior by controlling reinforcement materials. Organizations should consider the characteristics of knowledge-based employees pursuing high-level needs and emphasizing spiritual motivation, and choose reinforcement materials such as opportunities that can

unleash personal potential to achieve sufficient motivation intensity.

4.4 Comprehensive Incentive Theory

The comprehensive motivation theory proposed by Porter and Lawler combines the aforementioned types of motivation theories, taking into account both internal and external motivation factors, and systematically describing the entire motivation process, in order to provide a more comprehensive explanation of human behavior and overcome the one-sided nature of various motivation theories. This model includes four main variables: employee effort level, work performance, internal and external rewards, and satisfaction. The main line of the relationship it reflects is that the level of effort of employees leads to their work performance, and work performance will give employees internal and external rewards given by the organization, and various rewards will affect employee satisfaction.

Motivation leads to a person's effort and the level of effort they put in. The actual performance of a job depends on the size of the ability, level of effort, and depth of understanding of the tasks required to be completed. Specifically, the concept of role refers to whether a person has a clear understanding of the role they are playing and whether they are directing their efforts in the right direction. Rewards should be based on performance, and employees must first complete organizational tasks in order to receive spiritual and material rewards. When employees see a poor correlation between their rewards and performance, rewards will not become a stimulus to improve performance. Whether reward and punishment measures will produce satisfaction depends on whether the incentivized person believes that the rewards received are fair. If he thinks it conforms to the principle of fairness, he will feel satisfied, otherwise he will feel dissatisfied. As is well known, satisfaction will lead to further efforts.

5. Practical Path of Knowledge-based Employee Motivation

The goal of motivating knowledge-based employees is to fully mobilize their internal drive, so that they can create more value for the enterprise while perceiving and realizing their self-value. In response to the current dilemma that the salary system of organizations cannot meet the personalized needs of knowledge-based employees, effective incentives for knowledge-based employees can be achieved through the following paths.

5.1 Establishing a People-oriented Concept

Organizations adhering to the people-oriented concept require managers to regard knowledge-based employees as the main body. Management behavior is not a heartless command and mandatory requirement, but includes the care and encouragement of knowledge-based employees by the enterprise. The fundamental goal of organizations is to fully stimulate the enthusiasm and creativity of knowledge-based employees, meet their high-level needs such as self-value realization, and achieve the goal of self-development of employees and maximization of organizational interests^[4]. For organizations that prioritize knowledge as their main competitive advantage, their human resource management departments should not only focus on managing employees in the traditional sense, but also have a greater emphasis on serving employees. Managers should start from the perspective of employees and provide good service to them. The focus of a manager is to sincerely "persuade" employees and sell their ideas, opinions, or suggestions to them. Only in this way can the work potential of knowledge-based employees be stimulated, and they can truly achieve the personal value goals of knowledge-based employees while achieving enterprise goals, ultimately achieving a true sense of "people-oriented"^[5].

5.2 Analyzing Personalized Needs

In response to the incentive dilemma faced by knowledge-based employees, managers need to change the traditional salary incentive system and explore "special" incentive methods for knowledge-based employees. Knowledge-based employees need to meet high-level needs, such as opportunities for training and promotion, challenging work, and the realization of self-value^[6]. Knowledge-based employees rely mainly on mental labor, with challenging work, competitive compensation, and trust from leaders being the primary motivating factors. There is currently a mismatch between the company's incentive measures and the needs of knowledge-based employees, or the company's incentive measures cannot keep up with the constantly changing needs of knowledge-based employees. Newly hired knowledge-based employees need high salaries to meet basic low-level needs. After stabilizing, they will have more social needs, and in middle age, they will care more about the need for respect and self-actualization. The same incentive measures may also address different needs. For example, high wages are generally seen as low-level needs, but they also have a motivating effect on specific individuals, which can be seen as a respected and self-fulfillment. During the same period, there may be several needs. The key for managers is to identify the dominant needs of knowledge-based employees, and addressing these needs can have a better motivating effect.

5.3 Flexible Use of Multiple Incentive Methods

Knowledge-based employees require a combination of internal and external incentives. According to the needs of knowledge-based employees, flexible use of various incentive methods can achieve effective motivation, thereby improving the work enthusiasm of knowledge-based employees^[7]. Firstly, organizations should enrich their work. When designing work, organizations should fully consider the psychological needs of knowledge-based employees and their job requirements. Organizations enrich their work by incorporating motivational factors such as work responsibility, learning opportunities, and a sense of achievement into the work of knowledge-based employees, that is, entrusting the entire task to one person. After job enrichment, Organizations only propose the ultimate goal, and their work methods and progress can be independently controlled by knowledge-based employees, so that knowledge-based employees feel trust and respect, and enhance their confidence and motivation in work. Secondly, organizations mobilize knowledge-based employees to participate in management. The participation of knowledge-based employees in management enables smoother communication within organizations, enabling them to timely understand organizations' goals and individual tasks, and meeting the need for knowledge-based employees to be respected. Organizations actively hire knowledge-based employees to enter the upper management structure, such as the board of directors and supervisory board, to participate in the organization's senior management. Knowledge-based employees participating in goal setting can help them recognize the overall goals of organizations and their responsibilities, stimulate their sense of responsibility in achieving personal goals, and strengthen cooperation between the upper and lower levels of organizations. Finally, organizations should combine distribution according to work with distribution according to needs. The allocation system directly affects the work enthusiasm of knowledge-based employees. Therefore, organizations should adhere to the principle of combining distribution according to work and distribution according to needs in motivating knowledge-based employees. Distribution according to work reflects fairness, and distribution according to needs reflects personalized incentives. Organizations can adopt profit sharing risk rewards, extracting a certain percentage of growth profit based on the annual profit growth rate as a reward for knowledge-based employees. The risk reward for knowledge-based employees comes from the growth of company performance, effectively mobilizing their enthusiasm and creativity. At the same time,

organizations can provide knowledge-based employees with opportunities for public funded training and further education, providing both spiritual and intellectual incentives.

6. Conclusion

The work enthusiasm of knowledge-based employees is crucial for improving performance, and the practical dilemma for organizations to motivate knowledge-based employees is that the existing incentive system cannot meet the high-level needs of knowledge-based employees. Only by establishing a people-oriented concept, analyzing the personalized needs of knowledge-based employees, and flexibly using various incentive methods can organizations effectively motivate knowledge-based employees, fully mobilize their work enthusiasm and creativity, and avoid frequent job hopping due to insufficient motivation.

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