

Research on the Influence of Enterprise Incentive Mechanism on the New Generation of Knowledge Workers: From the Perspective of Psychological Contract

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Abstract: This research will focus on the knowledge worker's psychological contract's main characters and connect with the incentive mechanism to make discussion. The incentive mechanism will be divided into six different aspect which is the hygiene and motivation factors can affect the employee's job attitudes. The author took questionnaire method to collect different attitude then use SPSS to do the linear-regression analysis to discover the relationship between those affecting factors and the knowledge worker's satisfaction, working performance and sense of responsibility, and put forward relevant suggestions.

Keywords: incentive mechanism, knowledge workers, psychological contract, affecting factors

1. Introduction

How to motivate knowledge workers has always been a worth studying subject. In the past, the enterprise's strategy tends to be conservative, and they often ignore learning about employees' individual situation. They pay more concentration on the company's work performance but less on staff's requirements, that didn't fit for the knowledge workers nowadays [1]. As the knowledge employees of the new generation is more independent than the older generation's workers, most of the time, they prefer to control their working time freely and more self-oriented, sometimes there is an ideological conflict between them and the company. Once the conflict is out of control, there must be some employee will leave, as well as the knowledge they handle [2]. Irene mentioned incentive mechanism and posted the psychology factors that may affect employee's attitude to job and divided each factor into a question [3].

2. The link between psychological contract and the incentive mechanism

The connection between the incentive mechanism and the psychological contract is an important portion of HR management, are getting closer than previous. Psychological contract includes two main dimensions, the transactional and the relational. The former is related to the employees' performance and the company will evaluate it to give staff equal reward, for example the salary reward, while the later mainly concentrate on the spiritual response from the employees and the organization [4]. Psychological mechanism has systemized the employee relationship let it connect with the organization system of the company, and it provides a platform for the HR department of the enterprise to know the subjective expectations of both parties between the staff and the company [5]. The company should consider about the complex innovation environment and combine employee's psychological contract.

3. Data Collection and Data Analysis

3.1 Methodology Introduction

The author based on literature research method to acquire relevant information that the previous study provides and use them for reference for further details of the psychological system, incentives

mechanism, the knowledge workers, and the relationship between them, after finishing these, the author chose to use scale study method to establish the regression model and analyze the variance to figure out whether the former has positive or negative on knowledge workers.

To design the question for the questionnaire, the author utilized previous research [3] and according to it, divide 6 factors that may have impact on knowledge workers, including the company's administration, the internal relationship of company etc. And for supporting the research, the author used The Questionnaire Star as the platform to collect data, as the new generation of knowledge worker is between age 18 to 43, so this age group has been chosen as the target for investigation, and it mainly focus on pharmaceuticals, management, financial industry etc., as those industries gathered massive knowledge employee. The questionnaire collected 100 results, except the basic questions, to evaluate the rest number of entry, the author chose to use SPSS to do liner-regression analysis to continue researching. By doing the evaluation, the confidence interval for these data is 0.925.

3.2 The data analysis about the employees' attitude to the company administration

Table 1: Employees' attitude to the company administration and linear-regression analysis

	Unstandardized coefficient		Standardized coefficient	t	significance	VIF
	B	Standard error	Beta			
constant	0.891	0.437	-	2.038	0.44	-
Are you satisfied with the company's current incentive system	0.668	0.1	0.626	6.691	0	1.51
Do you think the company incentive system is helpful to improve the performance of employees	0.02	0.136	0.017	0.143	0.886	2.43
Do you think a good corporate incentive system can improve your sense of responsibility for your work	0.079	0.138	0.063	0.575	0.567	2.06
R ²	0.446					
Adjust R ²	0.428					
F	F(3.96)=25.713,p=0.000					

According to table 1, the figure of VIF are all under 5, which means that there is no multicollinearity problem and the model is well constructed, and the figure of beta are all greater than zero, so it is demonstrated that a good administration of a company can have positive impact on the knowledge workers' sense of satisfaction of company's current incentive system and responsibility for their work, what is more, it is also contributes to improve the staff's working performance. Have to mention that, in the following regression analysis, the data for VIF are all under 5, so there is no extra introduction in the next part.

In addition, as the R² is 0.446, it can be interpreted as there are 44.6% of the relationship between these aspects can be explained by the mutual best-fit lines, and the rest of part may affect by internal relationship of the company, the working conditions, the final performance evaluation and the company's security system.

3.3 The data analysis about the employees' attitude to the company's internal relationship

Omit some data that may not use for analyzing, the standardized coefficient Beta for the employees' attitude to the company's internal relationship among the three dimensions, same as table 1, shows 0.327, 0.146 and 0.100 respectively, it proves that if the internal relationship is attractive and positive, which is contributes to the knowledge staff's work motivation and sense of belonging in all aspects like the three parts presented in the chart. Although the figure of R² is not very satisfactory with 0.22 but is still has positive impact on the knowledge employee's working attitude and satisfactory.

3.4 The data analysis about the employees' attitude to the working conditions

Table 2: Employees' attitude to the working conditions and linear-regression analysis

	Unstandardized coefficient		Standardized coefficient	t	significance	VIF
	B	Standard error	Beta			
constant	1.367	0.354	-	3.862	0	-
Are you satisfied with the company's current incentive system	0.692	0.081	0.735	8.565	0	1.51
Do you think the company incentive system is helpful to improve the performance of employees	-0.096	0.11	-0.095	-0.872	0.385	2.43
Do you think a good corporate incentive system can improve your sense of responsibility for your work	0.11	0.112	0.098	0.982	0.329	2.06
R ²	0.532					
Adjust R ²	0.518					
F	F(3.96)=36.419,p=0.000					

The figure of beta in table 2 has shown a negative data for 'whether a good incentive system will improve the employee's performance or not', but it is slightly, with the figure is a small number, so to some of the extend, it could be explained as once the working condition is too comfortable beyond the normal condition, the workers may create a sense of slack, so it may show a negative impact on that aspect, for the other two aspects, whether an ideal working condition will improve their satisfaction of the company current incentive mechanism or not and improve their sense of responsibility, both show a positive number which means the working condition does has a positive impact on these two aspects.

3.5 The data analysis about the employees' attitude to the compensation level

Table 3. Employees' attitude to the compensation level and linear-regression analysis

	Unstandardized coefficient		Standardized coefficient	t	significance	VIF
	B	Standard error	Beta			
constant	0.824	0.43	-	1.914	0.059	-
Are you satisfied with the company's current incentive system	0.626	0.098	0.583	6.37	0	1.51
Do you think the company incentive system is helpful to improve the performance of employees	0.271	0.134	0.235	2.023	0.046	2.43
Do you think a good corporate incentive system can improve your sense of responsibility for your work	-0.143	0.136	-0.113	-1.054	0.295	2.06
R ²	0.648					
Adjust R ²	0.637					
F	F(3.96)=58.983,p=0.000					

According to table 3, the standardized coefficient data for each dimension present as 0.583, 0.235 and -0.113 respectively, the figure of beta for 'whether a good incentive system will improve the staff's sense of responsibility or not' is a negative figure, which means a non-ideal compensation level will have negative impact on sense of responsibility. A well incentive mechanism can increase the worker's satisfaction and improve their working performance. the enterprise should control their compensation system and let it be stable and reasonable, not too low but can't be too high, too.

The R² is 0.648, it can be interpreted as there are 64.8% of the relationship between the security system and employee's attitude can be explained by the mutual best-fit lines, and the rest of part may

affect by other factors.

3.6 The data analysis about the employees' attitude to the company's security system

Table 4. Employees' attitude to the company's security system and linear-regression analysis

	Unstandardized coefficient		Standardized coefficient	t	significance	VIF
	B	Standard error	Beta			
constant	1.175	0.312	-	3.771	0	-
Are you satisfied with the company's current incentive system	0.764	0.071	0.8	10.74	0	1.51
Do you think the company incentive system is helpful to improve the performance of employees	0.113	0.097	0.11	1.164	0.247	2.43
Do you think a good corporate incentive system can improve your sense of responsibility for your work	-0.157	0.098	-0.134	-1.592	0.115	2.06
R ²	0.648					
Adjust R ²	0.637					
F	F(3.96)=58.983,p=0.000					

According to table 4, the standardized coefficient data between the knowledge workers' attitude towards 'the company's security system' and 'do you think a good corporate incentive system can improve your sense of responsibility for your work' with -0.134, it is demonstrating that there is negative relationship. If the security system exceeds normal standards, some employees will become indolent. So, the company should make it moderation and reasonable. A good company security system contributes to their working performance, and their satisfaction of the incentive mechanism.

The R² is 0.648, it can be interpreted as there are 64.8% of the relationship between the security system and employee's attitude can be explained by the mutual best-fit lines, and the rest of part may affect by other factors.

3.7 The data analysis about the employees' attitude to the final performance evaluation

Table 5: Employees' attitude to the final performance evaluation and linear-regression analysis

	Unstandardized coefficient		Standardized coefficient	t	significance	VIF
	B	Standard error	Beta			
constant	0.843	0.358	-	2.355	0.021	-
Are you satisfied with the company's current incentive system	0.826	0.082	0.804	10.093	0	1.51
Do you think the company incentive system is helpful to improve the performance of employees	-0.161	0.111	-0.146	-1.446	0.151	2.43
Do you think a good corporate incentive system can improve your sense of responsibility for your work	0.124	0.113	0.102	1.098	0.275	2.06
R ²	0.597					
Adjust R ²	0.585					
F	F(3.96)=47.453,p=0.000					

According to table 5, the standardized coefficient for 'do you think the company incentive system is helpful to improve the performance of employees' shows a negative result, but combine it with the questionnaire result, which shows a positive attitude for the company's final performance evaluation, it is not excluded that after employees receive corresponding remuneration, they will put less effort on

their work, the company should base on their performance to build up a clear stratification system. And the beta of the other two aspects shown that once the staff has received the corresponding, they will be more responsible for their work and be satisfied about the company's decision.

With the R^2 presents as 0.597, there are 59.7% of the relationship between the security system and employee's attitude toward the current final performance evaluation system can be explained by the mutual best-fit lines.

4. Suggestions base on the psychology contract

The company should combine democratic with autocracy into their leadership to guarantee their administration and policies enable employees to complete their work efficiently while relaxing. What is more, a good internal working relationship can indirectly affect work efficiency, if the members can reach the agreement quickly, it will avoid a lot of troubles in work. Based on the data analyze above, an outstanding working condition, compensation level, and working security will all leave positive impact on the workers, but the management is not accurate, there still be negative effects, company should require more for knowledge workers' enthusiasm and sense of responsibility for their work tasks. The company can set up some hierarchical stratification systems to motivate the workers in different stage, which can not only improve their working enthusiasm, but also can it increase their sense of responsibilities. Once the employees have reached the goal of one stage, the company can give them relative and equal salary award, at the same time, they should also define the reward for the next goal to keep motivating the knowledge workers and require them to achieve a better working performance, which is contributes to the further development for the enterprise.

The new generation's knowledge workers are requiring for more challenging tasks to improve their work ability and personal growth. Therefore, the company can set up task level mechanism and make announcement that status rewards, which will bring positive motivate effect on the knowledge workers.

What is more, The company can collect the employee's opinions regularly, which will contribute to understand about their demands accurately, which will also create a good enterprise culture, enhance employees' sense of belonging, thus can attract more talents knowledge workers to join the company.

5. Conclusion

To sum up, the knowledge workers more tend to pursue the incentive system, which is flexible with suitable supervision and enough rewards, and the manage department should also have a clear perception of the enterprise's demand to set up equal incentives mechanisms to remain the talents labor force and motivate them improve their own skills and work performance. And to avoid the loss of company's interest, the HR department should also focus on the two-way street relationship, require for more involvement from the knowledge workers is necessary. Once meet these two parties' requirement, the enterprise can maintain its competitiveness among the market.

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