

Research on Turnover Intention of Knowledge Employees in Manufacturing Based on Organizational Justice and Psychological Contract—Take Rongfang Company as an Example

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Abstract: In the era of the knowledge economy, productivity factors have undergone tremendous changes, the advantages of material resources have gradually weakened, and human resources have become the main factor in economic operation, making knowledge workers an indispensable force for the development of enterprises. However, the increasing turnover of knowledge workers poses risks to business development and has attracted the attention of scholars. Rongfang Company is a medium to large enterprise with over half its knowledge-based employees. To help the company determine the reasons for employees' turnover intention, this paper investigated Rongfang Company employees from organizational justice perception, psychological contract, and turnover intention. We used SPSS 25 software to analyze the results and draw conclusions. Each aspect of organizational justice reduces knowledge worker turnover intentions, with distributive justice having the greatest impact. Psychological contract plays a mediating role in the relationship between organizational justice and turnover intention. In addition, this paper summarizes the actual development situation of Rongfang Company and makes related suggestions, which are of great significance in promoting the development of the enterprise.

Keywords: Organizational justice; Psychological contract; Turnover intention; Knowledge workers

1. Introduction

Today's society is in the era of the knowledge economy. Productivity factors have undergone fundamental changes, and knowledge has become an important factor in economic development. With the advent of the era of knowledge explosion and big data, the advantage of material resources gradually weakened. Human resources become a key variable for other factors. The phenomenon of uncontrollable attrition rates in knowledge-based groups has sparked extensive research and debate in companies and management circles [1].

Rongfang Company is a manufacturing company. Its internal employees have relatively high academic qualifications and professional titles, and more than half of the employees are knowledge-based. There is a team of high-quality human resources. The trend of knowledge worker turnover within the company is increasingly evident, and their loyalty is also decreasing.

According to the data provided by Rongfang Company's human resources from 2019 to 2022, there were 210 knowledge employees in 2019, 26 people resigned, and the annual turnover rate was 12%; in 2020, there were 233 knowledge employees, 37 people resigned, and the annual turnover rate was 16%. Through a study of a large number of references, it was found that turnover rate is the best variable to predict employee turnover behavior.

2. Research Purpose

After sorting out relevant literature, this article studies organizational justice, psychological contract theory, and turnover intention, designs a questionnaire for Rongfang Company, and uses data analysis tools to comprehensively research, analyze, and verify the impact of organizational justice and psychological contract on employee turnover intention. This paper proposes effective measures to improve organizational justice, increase the level of psychological contract of employees, reduce the

turnover rate of knowledge employees, and improve the company's human resources management.

3. Related Concepts

3.1 Organizational Justice

In modern enterprise management, equity theory has received more and more attention from employees, business managers, and scholars. Adams first proposed the term "equity theory", which states how employees feel fairness or unfairness by comparing their contributions with their income. When employees think they are fair, their perceived investment and fairness are equal. When employees think they are unfair, their perceived investment and fairness are unequal. Their emphasis on fairness mainly focused on the distribution structure, which was called "distributive fairness" by later generations. Greenberg proposed that fairness in employee evaluations is often judged by whether they are treated fairly rather than feel they are treated fairly [2]. The employees' subjective feelings and cognitions may be a source of judgment. Zhou Qingguo believes that fairness is relative. Fair evaluation needs to consider the historical background and related material, economic, cultural, and other factors at that time, adopt a social evaluation system that is suitable for the society and is conducive to social fairness and people's well-being as the evaluation rules, and conduct appropriate evaluations of the interpersonal relationships that need to be evaluated. Zhou Hao and Long Lirong believe that organizational justice is the subjective awareness of employees and whether they are treated fairly. Individuals influence measurement standards because different individuals have different levels of organizational justice [16].

Based on the above, this article proposed that organizational justice is employees' subjective perception of whether the organization treats them fairly.

3.2 Psychological Contract

The earliest origin of psychological contract is the Hawthorne experiment. The experimental results show that the manager pays special attention to employees' behavior, especially collective behavior, and gradually takes employee psychology as a key research content, allowing scholars to widely understand and carry out management activities. Therefore, the results of the Hawthorne experiment played a foreshadowing role in the development of psychological contract theory.

Argyris first proposed the concept of "psychological contract" in 1960. Then, the psychological contract develops rapidly. Rousseau believes that psychological contracts are subjective, while organizations are not, so there are no unified expectations. Morrison and Robinson believe that the perception of individual employees is a psychological contract, which is employees' understanding of their relationship with the organization from a personal perspective [12]. Herriot believes that a psychological contract is the sense of mutual responsibilities that individuals and organizations provide each other in the employment relationship. This belief comes from the perception of written agreements and implicit expectations [4]. Li Yuan et al., based on the ideas of foreign research, proposed that different individuals have different understandings of the content of psychological contracts. At the same time, as employees work longer in the organization, the information they obtain becomes richer, and mutual expectations, as well as the implicit content contained in the psychological contract, also increase. Furthermore, there is a difference between psychological contract expectations and organizational commitment. Wei Feng analyzed domestic psychological contract research based on bibliometrics and proposed that psychological contract is the connection between organizations and employees [5]. To sum up, this paper adopts the definition of psychological contract in a narrow sense to explore the issue of employees' turnover intention [6].

4. Related Research

4.1 Research on Employee Turnover Intention

Foreign scholars have studied the human resource management system and job satisfaction. Thibaut and Walker believe that the main reason for employee turnover is that enterprises do not have a complete and scientific human resources management system and lack a humanized enterprise management system [13]. Lin noted that an enterprise's status, development scale, and speed in the industry impact employee turnover [8]. The fundamental cause of employee turnover is the enterprise's internal employee incentive system and the promotion channels. Folger empirically analyzed the internal and external factors

affecting employee turnover and concluded that corporate rules and regulations, labor security systems, wage levels, and management methods significantly impact employee turnover. Mobley started with emotion management, believing employees' emotional needs are necessary. Employees leave because they don't get emotional satisfaction from their jobs. Quantitative changes lead to qualitative changes, and employees tend to leave [11].

Some researchers use questionnaires to learn about individuals' psychology of quitting their jobs and analyze and confirm the causes of quitting due to job income, pressure, and leadership commitment. Ye studied the impact of the company's talent selection system, interpersonal relationships among employees, employee interests, and corporate reward and punishment systems on employee turnover and concluded that it is closely related to the company's reward and punishment system and interpersonal relationships. Scholar Zhou pointed out that the employee turnover rate is related to the company's salary incentive system, performance appraisal system, training mechanism, and company atmosphere. Hao discussed the external human resource competition faced by state-owned enterprises and the reasons for internal salary levels and promotion channels within the company [3]. Zhang proposed measures to strengthen employee management, such as putting people first, optimizing career promotion channels, enhancing corporate competitiveness, and improving the performance appraisal system.

4.2 Research on Organizational Justice and Turnover Intention

The sense of organizational justice is an important factor affecting turnover [10]. If employees feel a higher level of organizational justice, their turnover intention will be lower. Therefore, there is a negative correlation between the two. Tian Hui compared the different impacts of the three dimensions of distributive justice, procedural justice, and interactional justice on turnover intention in his research and believed that not all three are significantly related to turnover intention. It is related to the corporate culture and employees' awareness. There is a correlation between awareness of procedural involvement. Based on the above research, in the study of the turnover tendency of enterprise knowledge employees, we pay attention to the enterprise's distribution fairness and interaction fairness for employees based on procedural fairness and use the principle of fairness to improve the enterprise's human resources management and reduce the turnover behavior of knowledge employees [7].

4.3 Research on Psychological Contract and Turnover Intention

While studying how to reduce the turnover rate, Ling Wenshuan et al. found that employees attach great importance to their abilities. Therefore, when companies establish psychological contracts with employees, they should focus on training employees' professional skills to make them feel that the company cultivates and cares for them. Zhou Li researched the relationship between overall psychological contracts and job turnover intention and presented his views. Employees with a higher degree of psychological contract will reduce their turnover intention. Transaction, development, and relationship dimensions all positively impact turnover intention, which is very helpful for studying how to reduce the turnover rate by increasing the perceived degree of psychological contract [15]. Arshad's research believes that psychological contract violation affects employee turnover intention. Therefore, companies can help employees improve their capacity and awareness of contract performance and reduce the turnover rate by strengthening culture building, organizing training on disciplinary systems, and strengthening supervision [9].

5. Demographic Scale Design

This paper takes the knowledge workers of Rongfang Company as the research object and studies the relationship between organizational justice, psychological contract, and turnover rate. The turnover rate refers to voluntary, avoidable, and non-functional personnel turnover. The demographic variable table designed in this article includes nine questions: gender, age, education level, marital status, professional title category, job attributes, working years, monthly income, and willingness to resign.

In this survey, 270 employees were randomly selected and filled out the questionnaire. Among the respondents, there were 220 knowledge workers, accounting for 81.48% of the total questionnaires. Among the 220 valid questionnaires, 109 were male, and 111 were female, with a male-to-female ratio of nearly 1:1. In addition, there are 64 knowledge workers under the age of 24, and the vast majority are between the ages of 25 and 35, accounting for 48.6%. Those between the ages of 36 and 45 account for 15.5%. There are only 15 knowledge workers over the age of 46. Most of these employees are

undergraduates, followed by junior college employees, and only 6.8% have graduate degrees or above. Married people account for 57.3%, and single people account for 42.7%. Marriage and gender ratios are equal.

Among those surveyed, technical personnel accounted for the largest proportion, reaching 40%. Among the 220 knowledge workers surveyed, 61.5% were ordinary employees, 20.5% were junior managers, 12.7% were middle managers, and 5% were senior managers. Employees who have worked for 1-2 years account for the largest number, accounting for 48.6%, followed by employees who have just joined the company for less than a year, accounting for 34.1%, and those who have worked for 3-5 years account for 13.2%. By deducting the taxes of company employees, it was found that the general income is 6,000-9,999 yuan, reaching 77.3%. At the same time, the most frequent job changes are 1-2 times, accounting for 52.3%.

5.1 Research Results

Based on the above research, the following conclusions can be drawn:

(1) The impact of demographic variables on turnover intention

There are significant differences in the turnover intention of enterprise knowledge employees with different ages, educational backgrounds, marital status, professional titles, positions, working years, salary, and cumulative number. The differences are as follows. Older knowledge workers have better job stability and lower intention to leave. Knowledge workers with higher levels of education have a higher tendency to leave. At the same time, marital status also affects the turnover intention of knowledge workers. Knowledge workers have less family pressure and have a higher tendency to quit their jobs. As monthly income increases, the turnover trend of enterprise knowledge employees decreases, indicating that the stability of employees is gradually improving. At the same time, working years and professional titles within the company will also affect the tendency to quit. So far, most knowledge workers who have held one job are mostly in the early stages of career planning, so their intention to leave will be higher than those with second and third jobs, and job stability is low.

(2) The impact of psychological contract on turnover intention

The transaction dimension is closely related to employee turnover intention, and the development dimension ranks second. Knowledge workers focus on corporate culture and working atmosphere and tend to work in an environment with a sense of belonging and psychological satisfaction. Rongfang Company should provide matching career development channels, guide knowledge-based employees to stimulate work enthusiasm, and improve organizational commitment [14].

5.2 Countermeasures

5.2.1 Employee Compensation System

It is recommended that Rongfang Company develop market-leading or follow-up salary positions based on its current situation to ensure that the salary level remains in the leading position in the provincial and municipal industries. At the same time, Rongfang Company should revise the original unified wage system. Through analysis and sorting, the skill requirements of the positions are clarified, and a skill-level evaluation system is formulated. On this basis, they should establish a welfare security system, expand the coverage and types of indirect employee compensation, and enhance the level of psychological contract between employees and the company.

5.2.2 Build a Dual-track Career Development System

Establish a management system suitable for the company's development, create conditions for competent employees to develop their careers, and promote improving employees' professional skills. Rongfang Company sets qualification evaluations according to different levels. In addition, creating a dual channel of management and career sequences can enhance the sense of organizational justice and contract psychology.

5.2.3 Risk Control of Employee Turnover

Rongfang Company should strengthen the information management of human resources. Talent reserve work is conducive to ensuring that the normal work of the enterprise is not affected by the loss of some knowledge-based employees and strengthening technical training. At the same time, internal job rotation and competitive job posting mechanisms are implemented to stimulate the interest and vitality

of employees and cultivate comprehensive talents.

6. Conclusion

As experts in innovative knowledge technology and human capital, knowledge workers have become a company's most valuable asset. However, along with the development of society in recent years, the turnover rate of knowledge workers is increasing. Knowledge workers are important for businesses to maintain and gain competitive advantage. The loss of knowledge workers will weaken an enterprise's ability to create value while also bringing risks to the future development of the enterprise. This article takes knowledge workers as the research object to sort out the literature on knowledge workers' intention to quit. In addition, basic definitions and theories of concepts related to the study are also analyzed. The researchers designed relevant questionnaires based on the research content, surveyed the knowledge-based employees of Rongfang Company, and analyzed the questionnaire data. The above analysis verified the assumptions and recommendations based on the company's situation.

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