

# CHAPTER 1

## INTRODUCTION

### 1. 1 Research background

At the beginning of the 20th century, the employee was managed as a pure "economic man" in the Management. The general management theories are based on the idea of Frederick Winslow Taylor who proposed to use the scientific management model to change the employees into "machine" and improve the skills to achieve the purpose of efficiency improvement, which make the "industrial stage" expressed by Chaplin became the typical portraiture of that time. This kind of mode makes that the psychological need of the employees can not be taken seriously and put more simply, it is to manage the employees through the mode of "carrot and stick" to forced control the employees.

In the late 1920s and early 1930s, a group of scholars led by Elton Mayo, a professor of psychology at Harvard University, taking the problems of human emotions and interpersonal communication in business management as the research object, came to a conclusion through a large amount of experiments research that:the employees not work to pursue the material life but the sense of security between people, sense of belonging, the self-satisfaction of the respected team and other psychological needs are more needed by the employees, which requires the manager can not manage the employees mechanically. The business managers are required to not only meet the material needs of employees but also pay more attention to psychological and spiritual needs. In particular, due to the rapid development of knowledge-based economy, the knowledge-based employees are the ablest employee team who can improve the production efficiency and competitiveness best and more and more of them have been the backbone of the enterprise, which needs the managers take the knowledge-based employees as the key factors in the success of the enterprise.

Frances Horibe, a Canadian scholar said: in a word, the knowledge-based

employees use brain as much as the hands when they create wealth. They bring the added value to the product via their own creativity, analysis, judgment, synthesis, design." In this concept range, the departments for the managers, professional technicians, and salespeople belong to the scope of knowledge-based employees. Currently, many high-tech enterprises at home and abroad have been attaching importance to human-based management of the employees and require to know the deeper motives of the employees and mine and give play to the knowledge-based employees. The emotional investment on the knowledge-based employees who need to be understood and respected shall be increased and at the same time the enterprises shall offer them the strong corporate culture. With the development of IT technology, the number of knowledge-based enterprises grow fast. The typical characteristic of these enterprises is knowledge-intensive type rather than labor-intensive type and the outstanding feature is to rely on talents. The development of this kind of enterprise, rational use and solution of the scarcity of technical personnel, liquidity are the main problems. In the IT industry, as pointed out in the 2011 IDC global research report, the global IT industry will add 7.14 million new jobs in the next four years most of which will be in China. According to incomplete statistics, the IT practitioners in China at present have been over 4.23 million. The average age of the existing employees of computer enterprises in China is under age 30 generally with the working time of 2-4 years and the liquidity ratio has been reached as high as about 20%. The ability to stay on the cutting edge, attract the talents, use the talents and retain talents will decide the survival and development of enterprises directly. Tampoe, the knowledge theory expert concluded the first four factors that motivate knowledge-based employees through extensive research are personal growth (about 34%), job autonomy (about 31%), business success (about 28%), money and wealth (about 7%).

Therefore, we shall pay more attention to the knowledge-based employee to promote their career development, and provide challenging work and he opportunity to learn new knowledge to promote the self-improvement better. They need to pursue the autonomous right in the career and need a more effective way to innovate so as to

fulfill the tasks that the business gives to them. We shall not motivate the knowledge-based employees use money simply and shall focus more on the growth, development and future achievements based on the characteristics of the staff.

## **1.2 Research Objectives**

The employee is the key factor in the success of the enterprise so how to motivate the employee effectively has been the primary problem that all businesses must seriously think and face. And the effective motivation on the employee is always the hot issue studies by the managers. In recent years, many enterprises have established and introduces the feasible incentive strategies gradually with the development of the human resources to achieve the purpose of evoking, promoting and affecting the employees' will. So the employee's purpose can be consistent with the enterprise's goals and the vitality of the enterprise can be created through the rational allocation of maximum values of the human resources. The professor William James of Harvard University found that under the case of the absence of scientific and effective incentives, the only 20% -30% of human potential can be given play while the scientific and effective incentive strategy can make the employee to give play to the another 70% - 80% of the potential. Currently, for many small and medium enterprises, there exists mistaken area in employee motivation and they think that the best motivation for the employee is to give them enough wages.

The Motivation—Hygiene Theory proposed by Frederick Herzberg, the American well-known management scientist, psychologist divides the factors affecting the enthusiasm of the staff work into two categories: Hygiene factors and motivation factors. The so called hygiene factors are the factors cause the dissatisfaction of employee. Its improvement can relieve the employee's dissatisfaction but these factors can not make the employees feel satisfied and motivate their enthusiasm. The monetary compensation used in the former incentive misconception is one of the hygiene factor. The increase of the wage of the employee just can avoid dissatisfaction of the employee but can not inspire the enthusiasm of the employees effectively. It certainly can not stimulate the employee's ownership. What's more, the wage has the rigid feature for rise not drop. The reduction of the

wage must result in the dissatisfaction of the employees or even go-slow. Herzberg calls it a "maintenance factor" because it can only keep the employees in an unsatisfactory state but can not make the employees satisfied.

### **1.3 Research Significance**

There are mistaken area in the working enthusiasm motivation process of many small and medium-sized enterprises and they think the best motivation for the employees is to provide them with sufficient salary compensation. The Motivation—Hygiene Theory proposed by Frederick Herzberg, the American well-known management scientist, psychologist divides the factors affecting the enthusiasm of the staff work into two categories: Hygiene factors and motivation factors. The so called hygiene factors are the factors cause the dissatisfaction of employee. It can ease and remove the dissatisfaction of the employees but these factors cannot make the employees feel satisfied and stimulate their enthusiasm. The mistaken area of motivating the employees through the monetary compensation is to increase the wages, which just is the hygiene factor avoiding the dissatisfaction of the employees but can not inspire the enthusiasm of the employees effectively and the employee's ownership. What's more, the wage has the rigid feature for rise not drop. The reduction of the wage must result in the dissatisfaction of the employees or even go-slow. Herzberg calls it a "maintenance factor" because it can only keep the state to reduce the dissatisfaction of the employees but can not make the employees satisfied. Therefore, the effective motivation of the talents can develop the talent and wisdom of the employees to the largest extent, which is the important factor for the enterprise to keep their competitiveness in the competitive environment; In addition, the effective motivation strategy helps to cultivate corporate culture to improve employee loyalty so the research and improvement of the incentive strategy has great significance to the development of enterprise human resources.

Using the incentive strategy scientifically, the enterprise can not only avoid over-reliance on material factors used in the incentive strategy for the employees but also can stimulate their enthusiasm and identity with less money and better effect to make lager value for the enterprise. Only the career planning and management taking

the employees' work as the most important resources, focusing on the needs of humanity and taking the success in the future as the main content can give play of the their own team strength for the enterprises effectively and continuously improve the competitiveness of enterprises. Based on the characteristics of ZY employees, this paper illustrates the positive and irreplaceable role of the non-salary factor in the employee motivation of the knowledge-based employee-oriented enterprises through the analysis of the actual situation of the enterprises.

#### **1.4 Theoretical Framework**

With the coming of the era of knowledge economy, the human resources management based on the motivation of knowledge-based employee has been the core issue. How to establish the scientific employee incentive strategy to realize the motivation of employee innovation to promote the development of new high-tech enterprise? How to make the enterprises to adapt to the fierce market competition? How to establish a more scientific reward system? Practical problems require theoretical guidance. The theoretical research of international academic research has already have a huge amount of theoretical and practical research and achieved abundant accomplishments, which arranges the existing incentive theories and absorbs the essence. The accomplishments not only provide the knowledge-based employee motivation of new high-tech enterprise in China with the theoretical reference but also play a actual and positive role in the employee motivation.

The continued refinement of labor division and trade and economic development have brought the issues of efficiency and incentives. The motivation theories are the core theories used to deal with the relationship between demand, motivation, goals and behavior for the behavioural science and the motivation theory is the behavioural science which determines the behavioral objectives of people through the demand of human motivation. The motivation has effect on the psychological activity of the human to inspire, promote and enhance the human behavior. The motivation theory is the theory for performance evaluation, which explains why performance evaluation can help improve organizational performance

and what kind of performance appraisal mechanism can provide an important basis for organizational performance improvement.