

The Staff Salaries Model of Knowledge-Intensive Enterprises

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Abstract Due to the special nature and characteristics of employees in the knowledge-intensive enterprises, the original design pattern of salary system no longer adapts to the development of enterprises. This paper mainly explore the characteristics of knowledge-intensive employees, and conducts a detailed analysis of knowledge-based incentives for employees. On this basis, the paper also reveals the problems and shortcomings of traditional compensation design pattern and makes an exploration into the the staff salaries model of Knowledge-intensive enterprise.

Key words Knowledge-intensive enterprise ; Knowledge workers ; Salaries design patterns

1 Introduction

In the 21st century, especially after China's accession to WTO, Chinese enterprises are facing enormous challenges. The knowledge, information and virtualization will become the future trend of business organization model, the creation, dissemination and application of knowledge as the distinguishing features of the knowledge-based enterprises will dominate the twenty-first century. Compared with the traditional enterprise, there are some new features in the knowledge-based company, and its survival and development will be more dependent on human resource—knowledge workers. The knowledge workers also differs from traditional common workers, which are facing a major issue that how to design a compensation model to adapt to the new development requirements.

(Peter•Drucker 1988) considered that, as the development of information technology, enterprises will enter a new form; An expert panel consisting of knowledge-based enterprise which are based on knowledge. the manual workers and copy quickly change into knowledge workers, management layers will be reduced by half, management personnel will be reduced by 2/3. Inter-departmental group of experts complete the work, coordination and control will rely on employee self-awareness: In the decision-making structure, the knowledge workers make decision by themselves, and self-management: In the organizational structure, Knowledge workers should beyond the traditional matrix form.

Knowledge-intensive business is a knowledge integration system which built on a foundation of knowledge, and produce, store, use and disseminate knowledge. From basic infrastructure to process, to product, to the formulation and implementation of strategy, knowledge throughout the whole operating process. Gathering resources and organizing production are based on their knowledge as the fundamental to create the greatest value.

2 The Characteristics of Knowledge Workers

2.1 To pursuit the efficiency and autonomy

In the knowledge-based economy, technology and knowledge is more complex, detailed, the environment changes faster. it is impossible for business managers are proficient in understanding involved in all the technologies, knowledge, and as the owner of expertise, knowledge workers have a better understanding of their work than the managers, and adapt to the changes in the external environment challenges flexibly.

2.2 The diversity and complexity of the needs

Knowledge workers pursuit the lower-level needs such as physiological, safety needs, but also pursuit the high levels of needs such as respected, self-actualization: pursuit the working conditions and environment-related health factors, but also to pursue the nature of work and work incentives related to the content needs; pursuit the success of the needs, but also to pursue the power and social relations needs.

2.3 The low degree of organizational loyalty and Liquidity

Knowledge workers as professionals, have their own unique professional philosophy, professionalism, expertise, professional competence, professional wisdom, and so on, they love and loyalty in their business profession or occupation, but they also have the characteristics of low loyalty and the more frequent flow of tendencies. Their loyalty is mainly aimed at the professional, rather than their own organization, they have their own welfare-maximizing function, they make their own choice to join a company and not forced..

2.4 To pursuit the career development and progress

In the knowledge economy, existing technology and knowledge continue to be eliminated, and new technologies and new knowledge are emerging. Therefore, they work for two or more organizations at least in their life. This means that knowledge workers have the knowledge and skills at present can not guarantee that they have the ability for a lifetime employment, so knowledge workers should pursue to continuous learning and lifelong learning.

3 Knowledge Intensive Analysis of Enterprise Employees Incentives

To design scientific, rational and effective incentive compensation model must accurately grasp the needs of the core staff. Demand is the act of power and a source of motivation, in order to mobilize their enthusiasm, managers should attach great importance to the remuneration of the core technology needs and take measures to meet their needs. Therefore, the analysis of the incentives investigation of the core technical staff is the premise and basis for incentive.

At present, there is no empirical analysis of the core staff in specific demand, but there are some the findings of incentives for knowledge workers have great reference value for us. (In the view of the composition of the core staff, there are a number of key employees who also has characteristics of knowledge workers, there is a corresponding relations between incentives and the demand)

Table 1 The First Incentive of the Knowledge Workers

	Raising Income	Personal Development	Business Achievements	Job autonomy
The findings of Zheng chao and Huang youli	48.12%	23.71%	22.30%	5.87%
The results of U.S. Myers	7.07%	33.74%	28.69%	30.50%

In chinese, zhang Wangjun and other scholars made a survey about “the questionnaire of innovative Employee motivation factor” for the 150 technology researcher in Shenzhen run communications, development corporation, the china public information network, ministry of information engineering research center. the analysis shows that the top five incentives of the chinese knowledge workers:

Table 2 The Top Five Incentives of the Chinese Knowledge Workers

Incentive ranking	First	Second	Third	Fourth	Fifth
Motivation Factors	Wage compensation and reward	Personal growth and development	Challenging work	Company's future	Secure and stable work
percentage	31.88%	23.91%	10.145%	7.975%	6.52%

Table 1 and Table 2 shows that, as an important part of knowledge workers, the high-tech company's core technical staff's first effective factor is still the wage incentive compensation and rewards. At the same time, it is easy to see that personal growth and development and work independently also has a great incentive for the core technical staff, and this is the value of self-realization that they are pursuing. The characteristics of the core staff demand has been particularly evident, non-monetary factors is increasing in the demand structure. In order to meet the salaries demand of the core staff, we must change the traditional Pay Mode and find another model to adapt to the need of the knowledge workers.

4 The Construction of the Compensation Design Pattern in Knowledge-Intensive Enterprises

4.1 The limitations of traditional compensation design patterns

In the age of Information and knowledge economy, the market rapidly changing and highly competitive demands need one kind of Simple management structures, the flat Knowledge Enterprises and networked organization focus on the innovation of knowledge workers, make a quickly and

reasonable treatment for the relevant information and require an equal partnership-type relationship among the members of the organization. In the traditional pyramid structure, the multi-level structure restrains the initiative of the knowledge workers, and forming an organizational barriers for Knowledge innovation. All posts of this organizational structure is divided into management positions and staff positions, The management positions are very limited, and there are the hierarchical levels between management positions and staff positions, job development are very rigid. Employees are not actually being seriously by leadership and their value and benefits have not been reflected.

4.2 The construction of compensation design patterns of knowledge-intensive companies

From the characteristics of the knowledge-based staff and their motivation factors, knowledge workers compensation should be based on team performance, individual appraisal and market situation, in other words, knowledge workers compensation should be based on the market value and the goal of Strategic Implementation. The mainly fixed salary of the Knowledge workers compensation is market-oriented, depending on relevant qualifications, work experience and the conditions of the labor market. The variable pay depends on team performance and individual contributions, in fact, this is the most difficult to determine. According to the idea, establishing the knowledge workers compensation system shown in Figure 1 shows.

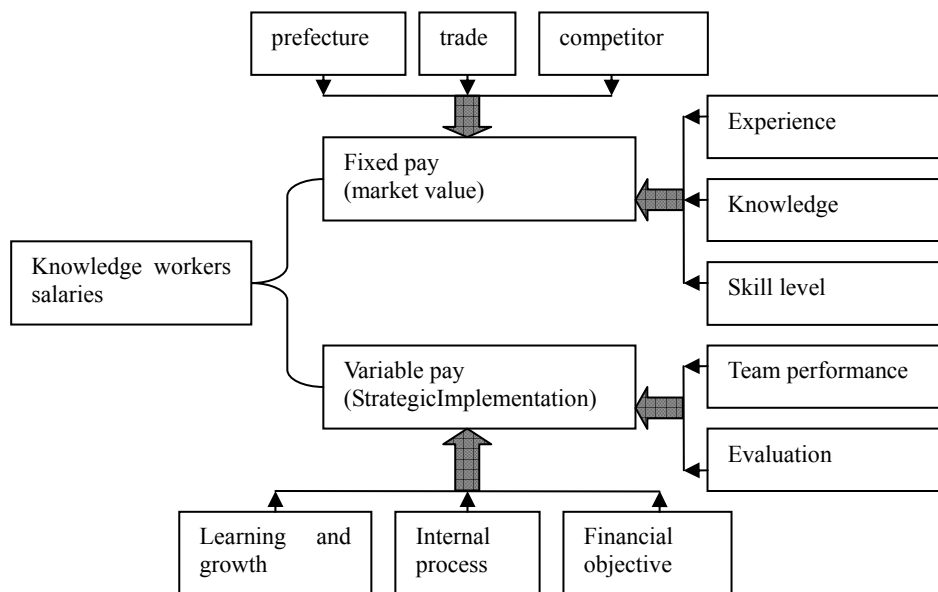


Figure 1 The Knowledge Workers Compensation System

4.2.1 The results-oriented of Strategic implementation of knowledge workers' variable pay

In the knowledge workers' variable pay, the long-term incentive and benefits were directly linked to the evaluation results of deferred indicators, and short-term rewards were linked to the efficiency-based indicators and personal evaluation of the team as well as the risk, only in this way, knowledge workers compensation award will have a fair and open basis for the issue. The payment of short-term rewards are mainly related to the knowledge workers' current specific performance and current benefits, efficiency, the work of the risk as well as fatigue level. The most part of the knowledge workers' variable pay should be long-term pay incentives, that is to say, the practical effectiveness of the results is the basis of the variable pay, such as taking on incentives of the stocks and options and the deduct of new product to stimulate the knowledge workers.

4.2.2 The value-oriented of the market of knowledge workers' fixed pay

Market-oriented is the embodiment of the knowledge workers market value. The mobility of knowledge workers is stronger, and although they mainly pursued not only salaries in their work, however, to some extent, the level of wages is the Manifestation of self-worth, pay levels in the region and the level of the industry, especially compare with the salary levels of the competitors is the key factors in determining one of the staff who will stay or leave. Therefore, it is necessary for companies to determine the positions of the specific salary level after making a survey for the level of wages in the region and the talent market. Above, equal or below market rates, no matter what measures you take you

must consider the profitability of state enterprises and human resource strategy, in a word, you must take the market as the reference to set wages.

5 Conclusion

In general, this paper designed the pay pattern of knowledge-intensive enterprises break the strict hierarchy of the traditional pay model and significantly contribute to Support the Organizational Structure of the flat and networked organization and promote corporate strategic objectives. The size of the wage is entirely based on knowledge workers' the knowledge, ability and performance and it can effectively stimulate the initiative, enthusiasm and creativity of the knowledge workers. financial goals as a team performance reflection encourage employees to work together flexibly and make pay program more holistic. according to the designed model system, if the staff was promoted, Salary does not necessarily increase. therefore, it can weaken the desire of the pursuit of promotion, and strengthen the service thinking of the management; Finally, the flexibility between fixed and variable pay and independence of their respective make compensation management become more flexibility.

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