

An Analysis on the Knowledge Workers' Turnover: A Psychological Contract Perspective

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Abstract

Knowledge workers are gradually becoming the most valuable and productive part of employees, but their intrinsic characters lead to their high turnover rate. As viewed from the theory of psychological contract, this article analyzes the flow process of knowledge workers, establishes the employee satisfaction model and finds out that one important reason inducing knowledge workers' high turnover rate is to ignore and breach their psychological expectations. Based on that, this article also puts forward the countermeasures to reduce knowledge workers' turnover rate by managing their psychological contracts.

Keywords: Knowledge worker, Psychological contract, Employee satisfaction, Employee turnover

1. Introduction

With the advent of knowledge economy in 21st century, knowledge works which can answer changes quickly in a creative way will become the main work forms for the new economy, and knowledge workers are gradually becoming the most valuable and productive part of employees. Knowledge workers mean those workers who grasp and operate symbols, concepts, knowledge or information to work (Peter Drucker, 1999), and they create values by right of their own originalities, analysis and judgments, who generally include middle or super managers, professionals and assistant professionals with deep special skills (Peng, 2001, p.90-96). Since knowledge workers possess production instruments through knowledge, the relation between them and enterprises has been changed essentially (Drucker, 1994, p.10). Only "employment contract" has not decided whether they would give loyalties and pay out creativities for enterprises. And uncertain environment, incomplete information and finite rational limitation make economic contract can not forecast and regulate all contents of the contract. Because knowledge workers have essential characters such as higher occupation promise but not organizational promise, they more emphasize the implementation degree of their "psychological contract".

The psychological contract means responsibilities offered by organizations or individuals for each other which they can apperceive in their mutual relation, and this sort of apperception either comes from the apperception to the formal agreement or is concealed in various expectations (Herriot, 1996). The psychological contract is differ from economic contract, and the economic contract depends on specific and concrete regulations which mean bartering time, talents and physical forces for salary, rest and proper work conditions, but the psychological contract is the corresponding balance and weighing based on social criterion and value views. The psychological contract limits conditions (including contributions and expectations) which employees invest in organizations. If employees agree to give organization some loyalties and creativities, so as exchangeable conditions, they expect other wishes such as searching work security, fair and rational treatment and organizational supports to implement developments except for economic recompense. The psychological contract is the impelling determinant to influence employees' attitudes and behaviors to organization (Schein, 1980), which predominance is that it can apperceive the bilateral relation of mutual responsibilities between employees and organization to influence employees' behaviors through the psychological harmony and resonance between them. The ago practical researches indicate the psychological contract relates to high level apperception, organizational supports, work satisfaction, occupation expectation and

sensible promise and low level turnover intention (Wang, 2007, p.41-46 & Turnley, 2003, p.187-206).

Knowledge workers' intrinsic characters decide they have high turnover rate (Jiang, 2001, p.85-88). The employees' turnover are divided into voluntary turnover and passive turnover, and the former includes job-hopping, auto demission by force of pressures, retirement and so on, and the later includes dismissing, laying off and so on. This article only discusses the dismissing behavior for a better position after job-hopping. Different with the past models which researched knowledge workers' encouraged factors, this article tries to deeply analyze interior reasons of knowledge workers' turnover as viewed from psychological contract to offer decision-making references for the human resource management practice of enterprise.

2. Influences of psychological contract on knowledge workers' turnover

As viewed from enterprise, the values of knowledge workers should comply with the formula "knowledge workers' values = scarcity \times loyalty degree" (Wu, 2003, p.35-40), where, the factor "scarcity" means accumulated results of knowledge workers' long-term learning and experiences, and the factor "loyalty degree" reflects their identification tendency to enterprises. As we know, as a sort of employees' value judgment to enterprise, satisfaction is the necessary conditions that employees give loyalties, so this formula indicates knowledge workers' values are decided by whether they are satisfactory or loyalty to enterprises. And all early research models of employee turnover such as March & Simon Model (1958), Price Model (1977), Mobley Agent Chain Model (1977) and Extended Mobley Model (1979) (Xie, 2001) thought work satisfactory degree was an important variable to influence employee turnover, i.e. the employees' work satisfactory degree was lower, the probability producing demission intention was higher. At that time, if better development opportunities exist and employees realize their work satisfactory degree can be increased when they enter new enterprise, so the turnover may happen. It is obvious that the common factor to influence employees' demission intentions and decide to enter new enterprise is the evaluation to work satisfactory degree, and this evaluation result decides whether employees are loyalty to enterprise and produce turnover behaviors to some extent.

Philip Kotler thought satisfaction means one person's actual apperceived effects to certain thing and the feeling status formed after comparing with his expectation (P Kotler, 2002). The model in Figure 1 describes the forming process that employees are satisfactory with works. Form the theory of psychological contract, the employees' expectations to work are not only embodied in the employment contract, but are included in employees' concealed psychological contract. The forming process described in the model is the result of a series of interior communications and enterprise management activities between enterprise and employees. The apperception of enterprise to employees' expectation decides various regulations and systems established by enterprise, and the actual implementation of regulations and system also will directly influence employees' actual apperception. If actual apperception approaches or exceeds expectation value, so employees will satisfy, or else they will not satisfy.

In the forming process of employee satisfaction, certain gaps may exist in various steps, and these gaps will influence employees' satisfactory level. Three gaps are shown in the model. Gap 1 means the expectation of enterprise to employees has "apperception gap". Gap 2 is a sort of "system gap" which is caused by that the regulations of enterprise has not completely embodied employees' expectation. Gap 3 is the "implementation gap" which is caused by the system constituted has not been implemented truly. Obviously, apperception gap, system gap and implementation gap induce the deviation between employees' actual apperception and expectation together and directly influence employees' satisfactory level. Gap 1 is the most important, and if enterprise has not completely known anticipated factors including employees' psychological contract, gap 1 will exist and induce employees' dissatisfactions to enterprise to a certainty.

Because knowledge workers are experts in their occupation domains, they have high creativity, independences and strong adaptive abilities to works, they have confidences to complete the contents regulated in the employment contract, and generally enterprise also would implement promise, so the employment contract is not the important factor considered by knowledge workers. Knowledge workers' strong of self-implementation wishes and achievement motivations determine that they will seek enterprise to implement their own psychological contracts, such as requirements to occupation development and individual achievement, which is differ from common employees. Most knowledge employees are the scarcity resource of enterprise, they have relative higher word rights, and they always request organizations fulfill their requirements of psychological contracts because they fully trust their own abilities, or else, they will depart from the enterprise which can not implement their psychological contract because of dissatisfaction. However, common employees usually emphasize material encouragement and short-term developments, and their requirements to fulfill psychological contract is comparatively weak. On the other hand, the present normative and perfect labor market management system make employees' flow become easier, and knowledge workers have comparatively extensive choices, and this tendency will strengthen knowledge workers' flow wishes and finally induce talent turnover of enterprise. Therefore it is very necessary to understand knowledge

workers' psychological contract for enterprise. But in fact, now most enterprises have not understood knowledge workers' work favor, they only emphasize knowledge workers' expectation to employment contract and ignore the perception to their psychological contracts, which may be one of important factors to induce knowledge workers' turnover.

However, even if the anticipated apperception gap (gap 1) of enterprise to employees is zero, it may include employees' turnover because dissatisfaction, which because gap 2 or gap 3 may still exist. This turnover can be controlled relatively, because system gap (gap 2) and implementation gap (gap 3) should be induced by wrong interior management of enterprise, or the results that enterprise voluntarily breaches economic contract or psychological contract. Only enterprise strengthens their interior management and implements promise seriously, this turnover behavior can be effectively controlled.

3. Countermeasures to control knowledge workers' turnover

Knowledge workers are the special group which human capital repertories are higher than other employees, and their turnover means talent turnover and the depreciation of intelligent capital to the demission enterprise, so to control knowledge workers' higher turnover rate is the key problem that enterprise must emphasize highly.

Undoubtedly, many enterprises has done a lot of works to enhance knowledge workers' satisfaction, but these works seemly ignore knowledge workers' psychological contract, and some encouragement measures aiming at knowledge workers' satisfaction and emotion devotions all are based on the requirements of management, and the encouragement contents always are designed according to the value view and maximum avail anticipation of the enterprises themselves which can not possess objectivity and justice in practice. Therefore, to make knowledge workers achieve real work satisfaction and organizational loyalty, enterprise managers need fully emphasize the structure and contents of knowledge workers' psychological contract, because any enterprise management decisions or emotion devotion to knowledge workers based on single satisfaction may induce both variance of apperception effect and disharmony of psychological expectation. So, enterprises must take the management of knowledge workers' psychological contract as their strategies and countermeasures, highly emphasize the communications with knowledge workers, understand and analyze knowledge workers' psychological expectation by introducing communication management, attitude management and other means (such as interior marketing), and make this communication can weaken employees' work satisfaction and organizational promise at low level (Rousseau, 2000, p.514–528) in order to achieve the final intention to reducing knowledge workers' demission rate.

On the other hand, enterprises must establish the people-oriented management idea. "People-oriented" is a sort of demand that people requests arranging their life independently, embodies their own existence values, actualize self-wishes and motile adaptation and counteraction to control others (Abraham, 1987). The people-oriented management idea requests enterprise respect employees and emphasize their principal part natures, which even fulfill knowledge workers' work favors and expectation of psychological contract. To hold knowledge workers, enterprise usually consider problems as viewed from higher rewards, which always induces the magrginal utility degression of material encouragement. Knowledge employees' people-oriented demands are the base of their psychological contract, and enterprises ignore human responsibilities and development responsibilities and take knowledge workers as the tools to obtain profits for themselves, which not only breaches employees' psychological contracts, but trample the people-oriented management idea.

Finally, enterprises also should emphasize the career management to knowledge workers. The knowledge workers' characters determine their demands to trainings and developments. In actual enterprises, knowledge employees may be satisfactory to the present jobs, but they may leave enterprise because they can not see the satisfactory role in future, which is the necessary result that enterprise ignores developmental dimensionality in knowledge workers' psychological contract. Therefore, enterprise should offer career consultation, developmental opportunities and projects for knowledge workers, evaluate and their potentials on the path of various career development, advise knowledge workers totally consider self-development, career development, family development and the harmony of these developments on time, and totally consider the approaches and sequences of career and relations on occupation and flows among enterprises. It is the important means to emphasized knowledge workers' career management for enterprise to control knowledge workers' turnover as viewed from employees' psychological contract.

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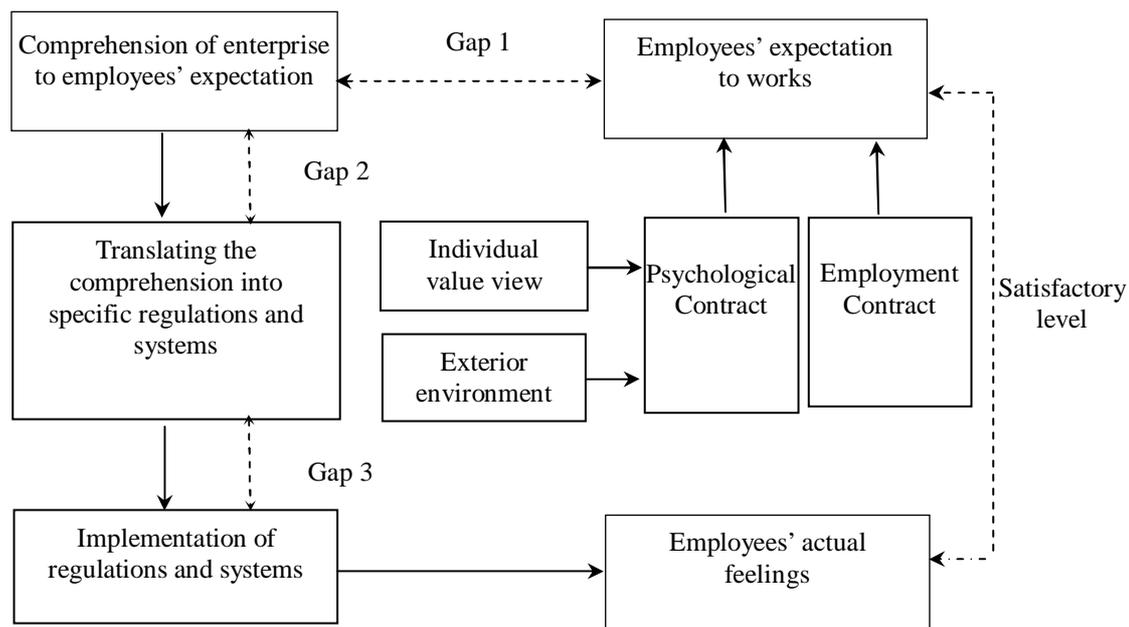


Figure 1. Forming Process Model of Employee Satisfaction