Retaining Knowledge Worker through Motivation

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ABSTRACT

This study examines how knowledge workers could be retained to meet the demand of the local industry. A survey was carried in Iskandar Malaysia to gauge the knowledge workforce's views on what motivated them to continue working in Malaysia. A seven Likert-scale questionnaire was distributed to workers that had at least a first degree or higher diploma education from a local or foreign institution of higher education. Out of the 200 questionnaires distributed to employees of randomly selected companies identified in the ICT Blueprint for 2020 Iskandar Malaysia, 145 was complete and usable for analysis. Data collected were analysed using reliability test, factor analysis and multiple regression.

Keywords: knowledge workers, retain motivation.

I INTRODUCTION

Knowledge workers are worker who attained the relevant skills to meet the demand of the industry (MSC[1]). It is a crucial factor of production that will boost economic development to greater heights. When Malaysia's knowledgeable workforce leaves Malaysia and contributes to the development of other foreign countries, Malaysia will not be able to achieve its aspiration of a high-income country.

Brain drain in Malaysia indicates that the growth of Malaysia's economy is dependent on its shrinking pool of talented and knowledgeable workforce. Although there is an increase in the number of overseas Malaysians returning, mainly due to family reasons, the numbers may not be significant enough as compared to those young, well-educated Malaysians leaving the country (Jauhar & Yusoff, 2011).

Malaysia is also becoming very dependent on foreign workers, of which, have little or no formal education (Mohamed, Ramendran, & Yacob, 2012), as compared to Malaysians emigrating. This imbalanced influx of blue-collar workers and outflow of knowledge workers will affect the productivity, growth and social economic imbalances of Malaysia.

This research is carried out to study how to retain knowledge workers by motivation, which in turn, reduces brain drain, raise economic growth, and even attracts global talent to Malaysia.

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[1] MSC Malaysia is Malaysia's government ICT initiative designed to promote ICT and ICT related businesses.

II MOTIVATING KNOWLEDGE WORKER

Motivating knowledge workers require job redesign, competitive financial rewards, conducive environment, leadership management and an organizational structure that is devoid of undue bureaucracy and protocols (Muo, 2013). Earlier studies suggested that attracting knowledge workers (through attractive compensation packages, proactive recruitment and internal filling), has to be followed by retaining (through opportunities for growth, conducive working environment, transparent compensation awards) and then, motivating them (through effective communication, conducive working environment, compensation plan and opportunities for career advancement) (Horwitz, Heng, & Quazi, 2003). As such, more managers are requested to replace their existing management style with more current ones that can expand the capacity of their knowledge workers so that they can constantly utilize their knowledge in the workplace (Imafidon, 2009).

The company's management team has to also motivates its knowledge workers by providing them the necessary tools and environment they can perform at their best (Massaro, 2012). Workers are more likely to be retained in firms with a generally acceptable management style, pleasant work experience, adequate resources, flexible working environment, cooperative, friendly and caring colleagues, as well as the availability of opportunities to learn new skills and obtain promotion (George, 2015).

III EXPECTANCY THEORY

The expectancy theory explains an employee's motivation towards its job through expectancy, instrumentality and valence. Firstly, a knowledge worker's expectancy is its belief that his or her effort will yield the expected performance goal. In order for a motivated knowledge worker to put effort towards its task, he or she has to perceive that his or her effort will result in a certain level of performance, or that a certain level of performance is attainable. Usually, this is based on an individual's past experience, self-confidence and the perceived difficulty of the performance standard or goal.

Secondly, the instrumentality of a knowledge worker is his perception that a given performance level is related to a given outcome. A knowledge worker will perform at a certain level if he believes that the performance will lead to a certain level of result, such as a pay increase, promotion, recognition, or sense of accomplishment. A worker must know specifically

what behaviors are desired by their employers and understand that they are instrumental in achieving rewards (Chiang & Jang, 2008; Johnson, 2010).

Thirdly, valence is the expected satisfaction a knowledge worker receives from a particular outcome. The value that the knowledge worker places on an expected outcome or reward is directly related to who he is, his needs, goals, values and preferences (Chou & Pearson, 2012). For example, a person's satisfaction of a promotion may not be high if he is uncomfortable with work relocation and new environment. Valence deals with the worker's perception of reward and not the actual value of the reward (Holland, 2011).

IV METHODOLOGY

A survey was conducted in Iskandar, Johor to gather the knowledge workforce's motivation towards their job through expectancy, instrumentality and valence. A seven Likert-scale questionnaire was distributed to workers that had at least a first degree or higher diploma education from a local or foreign institution of higher education. Two hundred questionnaires were distributed to employees of randomly selected from companies identified in the ICT Blueprint for 2020 Iskandar Malaysia (IRDA, 2011) by drop and collect method. Out of the 200 questionnaires distributed, 145 was complete and usable for analysis. Data collected were analysed using reliability test, factor analysis and multiple regression analysis.

V FINDINGS

Approximately 69% of the respondents are female. Most of the respondents are aged between 21 to 40 years old (81.4%) and about 58% of the respondents earn between RM3,000 to RM8,000 per month. About 83% of the respondents holds a bachelor's degree. Details on the characteristics of respondents are presented in Table 1.

Table 1: Respondents' Demographic

Gender	Number (%)
Male	45 (31.0%)
Female	100 (69.0%)
Age	
Below 21	8 (5.5%)
21-40	118 (81.4%)
41-60	19 (13.1%)
Gross Monthly Income	
< RM3,000	51 (35.2%)
RM3,001 – RM8,000	84 (57.9%)
RM8,001 - RM13,000	7 (4.8%)
> RM13,000	3 (2.1%)
Education	
Bachelor's Degree/ Higher Diploma	120 (82.8%)
Master's Degree	14 (9.6%)
PhD/Professional	11 (7.6%)

The empirical findings of this study can be discussed in three folds. Firstly, the reduced set of variable collectively meets the necessary threshold of the Bartlett's test of nonzero correlation and the acceptable MSA value of more than 0.50. Hence, it is feasible to proceed to factor analysis. See Table 2 for details.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.892
Bartlett's Test of Sphericity	Approx. Chi-Square	2453.05***

Note : ***(**) denotes 99% (95%) level of significance.

Secondly, the construct validity of scales is established by the principle of component analysis. Items with more than 50% loading of the rotated component matrix are accepted as items for each variable of the factor analysis. The Cronbach's Alpha reliability index is also employed to measure the internal consistency of scales.

Results indicate that instrumentality (α = 0.935), expectancy (α = 0.899) and valence (α = 0.872) will motivate knowledge workers in Iskandar Malaysia. All factors met the acceptable reliability score of more than 0.7 (Nunnally, 1978). The cumulative rotated sum of squares loading was at a satisfactory level of 71.467%. See Table 3 for details.

Table 3: Knowledge Workers' Motivation

	Rotated Component Matrix	% of Variance
Instrumentality (α = 0.935)		
Financial incentives motivates me	0.734	
Financial reward makes me strive harder	0.809	
I am financially inclined	0.715	
Acknowledgement motivates me	0.869	
Praises and congratulatory remarks motivates me	0.891	31.448
Positive feedback encourages me	0.837	
Work recognition satisfies me	0.860	
Work recognition makes me strive harder	0.862	
Expectancy (α = 0.899)		
I am able to learn something new in my work	0.581	
My career path in my company is clear	0.689	
There is career growth in my company	0.797	
My colleague(s) is(are) supportive	0.746	22.617

The workplace has a positive environment	0.860	
Satisfactory financial reward	0.650	
I am appreciated in my workplace	0.668	
Valence (α = 0.872)		
I participate in decision making in my company	0.815	
I feel the sense of autonomy in my work	0.793	
I am responsible for the decisions I made	0.750	17.402
I gain personal enhancement with the work I do	0.726	

Finally, the retained factors are regressed against the knowledge workers' opinion on job retention. The t-test result denotes that all independent variables are statistically significant in retaining knowledge workers at the 99% level of significance. The F-test result implies that all independent variables are statistically significant in retaining knowledge workers at 99% level of significance. The multiple regression reveals that retaining knowledge workers in Iskandar Malaysia are 81.2% significantly and positively affected by all three factors. See Table 4 for details.

Table 4: Summary of Multiple Regression Analysis

Independent Variables	Co-efficient ($\hat{\beta}_{it}$)	t-statistics
(Constant)	4.697	84.367***
Instrumentality	0.331	5.920***
Expectancy	0.807	14.447***
Valence	0.299	5.351***
R^2=0.812 and Adjusted R^2=0.652		

Note : ***(**) denotes 99% (95%) level of significance.

VI CONCLUSION

Globalization has led to the fierce competition for skilled and knowledgeable labor which led to intense labor mobility worldwide. Increased outflow of knowledge workers is usually at the expense of the host countries, especially when the host country is a developing country like Malaysia (Jauhar & Yusoff, 2011). Therefore, as long as knowledge workers are motivated with their job, employers will be able to retain them, at least locally.

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