2.0 LITERATURE REVIEW

2.1Knowledge Worker

The definition of Knowledge Workers was generally being categorized based on occupation and application of knowledge. Various scholars and studies defined knowledge work traditionally with related to occupation, where knowledge work (and by extension knowledge worker) relates with professional occupations and information technology (Harrigan & Dalmia, 1991; Dove, 1998 and Zidle, 1998), or with research and development activities (Davenport, Jarvenpaa & Beers, 1996, and Despres & Hiltrop, 1996).

The definition is then being refined to a more broader scope by Dove (1998) and Scarbrough (1999) where knowledge workers are those who use their head on the job, a concept that does not restrict knowledge work to the membership of any specific group. Knowledge workers are defined by the work that they do, which is more a function of the changing needs of the organization than of the occupational membership. Drucker (1998) in a similar way defines knowledge work as comprising those jobs in which incumbents work more with their heads than with their hands. In this approach the focus is on what employees actually do in their day-to-day activities (i-e., creation of ideas, Conn, 1984; work that entails high levels of cognitive activity, Helton, 1988; individuals who work with information to make decisions, Fox, 1990; people who are paid to think, Harasim, 1999; converting information to knowledge or transferring knowledge, (Thomas, 2003). Malaysian Economic Research Services Department, then defined knowledge workers as

versatile, autonomous, and highly skilled personnel who able to leverage and build knowledge to produce useful action with very strong and analytical skills. In a broader sense, the definition of KW have evolved from job relation to a more complete way by defining it upon creation, usage and manipulation of knowledge in daily work.

Before the emerging of KW, worker is traditionally being categorized as blue-collar and white-collar. This view has since being expanded to include KW as the third category, which came after realizing the importance of having KW towards organization development and competitiveness. Firms around the world acknowledged that knowledge is a perishable commodity and can become obsolete overnight; making workers with new knowledge invaluable, hence sought-after by competing organizations all over the world. (Drucker, 1998) Similar view was supported by Thompson and Heron (2005) who recognized knowledge workers are the crucial resource for competitive advantage, while Micklethwait & Wooldridge (1996) rates knowledge workers as key player, if not the most important class of organizational participant. The importance of knowledge worker was stressed further as the backbone of the knowledge economy, (Harasim, 1999) Tushman & O'Reilly, (1996) plays up the influence of Knowledge workers as the party that determined its firms to become "star" or "has been" in the twenty-first century.

Researches and studies conducted have since put KW on the spotlight as the contribution towards organization is "priceless" as it could be the differences between success and failure. The value of Knowledge Workers arises from their ability from being able to handle explicit to tacit knowledge. Explicit knowledge consists of information

that can be codified and transfer. The rise of information technology has made it possible for it to be turned into marketable products, which is readily available. (Stevens, 1998) However, it could be done without users knowing or needing the people behind the information, hence enabling transfer of knowledge. On the other hand, tacit knowledge, which involves human capabilities such as intuition, insight, creativity and judgment are generally obtained through experimental experience, hence is difficult to transfer. (Stevens, 1998) This prompting organization to hire employees and utilize the skills or expertise possessed. However, the skills and expertise are still in individual's control. (Davenport, 1999) Tacit knowledge eventually makes knowledge workers essential and precious in modern organization.

With the global economic climate swirls towards K-economy, and the narrowing of economic horizon due to globalization, Knowledge Workers are sought-after even on international level. Global economy emphasizes the fact that goods, services and even people could migrate across national boarders easily due to reduction of transportation and communication costs and trade barrier. (Alic, 1997; Mihlar, 1998) In addition to that, knowledge, which is intangible asset, could easily leave an organization to join another, unlike tangible assets such as machineries and factories. (Butler and Waldroop, 1999) Organizations that rely on KW in their businesses need to establish how to gain their commitment so as to retain them. The loss of KW means loss of both tangible and intangible knowledge and potential competitive advantage. On the other hand, organizations which are hunger for talents and proven stars are willing to do whatever it takes to attract talents from any part of the world. The more favourable and attractive

working conditions, coupled with lucrative financial package make it an offer too good to turn down for local KW.

Having identified the importance of KW to the organizations, it is noticed there is limited research done onto the characteristics and needs on micro-level of KW. However, there are researches that being done that was sufficient to differentiate some of the characteristics of KW and general employees. Herzberg (1959) identified some of the essential satisfiers for all population, which includes achievement, recognition, work itself, responsibility and advancement. These items have been the focus of many of the management practices in hierarchically structured organisations, where they are recognized as the primary indicators of success for years. It is then being discovered from literature on KW that some of the less essential satisfiers proposed by Herzberg, such as personal growth are becoming more essential. (Wickens, 1995; Simon, 1996; Cook, 1997; Wng, 1997) Besides, KW need a great deal of autonomy and discretion in their work environment (Handy, 1989, Jooste, 1997) and should be treated as colleagues rather than subordinates to acknowledge their independence (Drucker, 1989, Balkin, Gomez-meija & Milkovich, 1990, Koopman, 1991, Peters, 1994) as part of organization's effort to motivate KW.

Cook (1997) and Duffy (1997) discovered that personal growth has formed part of KW's personal identity where it represents the individual's ability to realize their values and fulfil their needs external to the work environment (Klimoski & Hayes, 1980, Bass, 1981; Araki, 1982, Dumaine, 1994, Levering & Moskowitz, 1998) This factor was

discovered by other scholars that KW's commitment within knowledge economy environment need to be achieved in emphasizing the uniqueness of individual value system rather than generic motivators (Lapin, 1993, Wickens, 1995, Jooste, 1997). In other words, KW view personal growth as a continuous process that enabled them to grow as part of effort to stay in front and to be competitive not only internally but externally as well. Despres & Hilltrop (1995) supported the argument by characterised KW as having careers which are external to an organization through years of education rather than internal through training and career schemes. Their loyalty is therefore to professions, networks and peers rather than to the organization and its career systems. In addition to that, study on KW characteristics also discovered that they generally possessed high locus of control, which was found to be negative related to organization commitment. This view was echoed by Davenport (1999) that knowledge work is a discretionary organization behaviour where KW could choose how much to invest in their jobs and careers leaving the perception that they are in control of their own destiny, hence the less likely they are to be highly committed to an organization.

Due to the findings that KW possessed different type of characteristics than the general population, it is recognized that organization should differentiate the effort to retain them. This is supported by findings suggesting that employees from different populations would focus on different factors and would have varying personal or organizational circumstances (Price & Mueller, 1986) Despite various effort to differentiate the needs of KW, there are always argument when it comes to effort to retain KW, whether focusing on motivations of specific populations or organization rather to go

for a generic approach. Heald (1995) argues that individuals' needs are finite and fixed, but satisfiers change over time, depending on the environment and the circumstances. Hence, KW may not have different needs, but may respond to different satisfiers that those of a past era. Likewise, he also suggests that sub groups within the KW population may have different determinants of organizational commitment.

Through the studies conducted by previous scholars, it is interesting to study the organization commitment of KW on our local front. This study was made even more interesting with the fact that it is not clear whether KW are more committed because of their hypothesized higher levels of job involvement, or less committed because of the contingent nature of their employment relationships. (Withey, 2003)

2.2 Organization Commitment (Affective)

Organization commitment is one of the most researched topic, largely due to organization realized the importance of retaining human resource. Organization commitment produces a strong desire to maintain membership in the organization (Mowday et al., 1982). Its extended research has since seen the difference nature of organization commitment which dimensions inclusive of Affective, Normative and Continuance Organization Commitment. Each represents different aspects of organization commitment.

The importance of organization commitment does not only lies on commitment of

employees but also help in improving worker productivity due to workers with high levels of affective commitment are less likely to be absent, wherever possible, compared with other workers (Mathieu and Zajac, 1990; Gellatly, 1995; Meyer and Allen, 1997;). Research indicates organizational commitment is a viable predictor of many behaviours, including absenteeism (Gellatly, 1995), turnover (Jaros, 1995), job satisfaction (Mathieu and Zajac, 1990), and work motivation (Meyer *et al.*, 2004) Absenteeism, turnover, job satisfaction and work motivation are important attribute towards employees productivity. Hence, organization commitment not only important in predicting employee turnover but also their commitment towards the job they do.

Kelloway & Barling (2000) believe that employees who want to remain with an organization are likely to exhibit positive attitudes toward that organization and be motivated to "help" that organization, by way of enhanced performance. There is a substantive body of research linking commitment to performance In addition to that, levels of commitment have been shown to influence turnover intentions (Iverson and Buttigieg, 1999; Chen and Francesco, 2000) Research suggest that affective commitment and, to a lesser extent, normative commitment are positively related to "in role" effort and performance (DeCotiis and Summers, 1987; Kim and Mauborgne, 1993; Meyer *et al.*, 1993).

Recent research also shows commitment levels among UK workers are relatively low. (Gallie *et al.*, 1998; Scase, 2001). Organizational commitment levels may have decreased due to the rise of a "contract culture", where workers have little loyalty or

commitment for the organizations in which they work (Gallie *et al*., 1998, 2001; Smithson and Lewis, 2000; Worral *et al*, 2000; Scase, 2001;) The scenario raised concern that organization or even countries risks losing its valuable assets to its competitor or suffer on its way towards knowledge economy. This was proven by studies conducted that indicated the danger for organizations with high turnover rates is that they risk losing valuable knowledge (Alvesson, 2000). This is a particular problem for organizations that employ workers with specialized knowledge, which is a sought-after market resource (Robertson and O'Malley Hammersley, 2000; Flood *et al.*, 2001).

Meyer & Allen (1991) recognized that the nature of commitment varies among employees as they may remain because they want to (affective), because they feel obliged to do so (continuance), or feel they have no other option for financial sustenance (normative). Affective commitment refers to a sense of identification with and involvement in an organization (Meyer and Allen, 1991). It refers to an employee's attachment to an organization because of shared values and a belief in what the organization stands for. In his later research, Meyer (1997) also states that affective commitment as an emotional attachment or a psychological bond between individuals and an organization. This emotional attachment implies a 'psychological bond' that ties individuals to an organization, thus, committed individuals are more likely to continue their membership with an organization than employees who are not committed. Previous research has shown that affective commitment is related to the discretionary use of knowledge in organizations (Daigle-LeBlanc, 2001). In addition to that, the relationship between commitment and employment continuance is complex due to the hypothesized

higher job involvement among knowledge worker as well as the contingent nature of employment on case to case basis. Most of the researches on commitment are based on an assumption of reciprocity, where employees will remain with an organization on the condition that the organization provides them with desirable returns (Meyer, 1997; Meyer and Herscovitch, 2001).

Continuance Organization Commitment refers to commitment based on the cost that the employees associate with leaving the organization. (Allen and Meyer, 1990) Employees recognize and concern about organization-relevant investments and perceived employment alternatives. (Allen and Meyer, 1990; Meyer and Allen, 1984, 1997) Employees' self-investment, organization-based skills, education and pensions is part of organization-relevant investment, which they might forfeit by leaving the organization. (Whitener and Walz, 1993) These experiences makes employees hesitate about the possibility for them to transfer their knowledge and perceive loss and risks if they leave the organization, which resulting high sacrifice component to remain at the current organization.

Normative Organization Commitment is the commitment generated from the sense of obligation, largely due to individual who values loyalty and pledge their loyalty to the working organization. The sense of loyalty tends to come from individual's experience prior and following their entry into the organization. Experience such as receipt of benefits such as tuition and training could create sense of obligation among employees. Previous researches suggest both Normative and Affective Organization

Commitment is positively correlated (Allen and Meyer, 1990; Meyer *et al*., 1993; Hacket *et al*., 1994;) in terms of their antecedents such as job satisfaction. However, these researches tend to focus on extent employees believe that the organization expects loyalty and employees' general sense of obligation to others. However, none of the researches shows significant findings on Normative Organization Commitment alone.

By comparing the current contingent nature of Knowledge Worker employment relationship, it is believed that affective organization commitment would play a more important role as compared to continuance and normative commitment, towards retaining the services of knowledge workers.

2.3 Rewards (Pay Satisfaction)

Much was studied on rewards, pay satisfaction and remuneration package as a motivation factor for general employees in daily work. However, it is also important to understand its relationship with organization commitment among employees. The different facets of pay satisfaction are reflective of the fact that the individual feels valued, recognized, and fairly treated by the organization (Tekleab *et al*. 2005). On other words, pay tends to be used to quantify the perceived value recognized by organization towards employees. In the mean time, perceived value, recognition, and fairness are common antecedents of affective organization commitment and pay satisfaction; hence, there should be a close relationship between these two variables.

Pay Satisfaction Questionnaire (PSQ) is developed based on equity theory and discrepancy theory. The main concept of the theory lies on the perceive fairness of amount expected by one compared to others. The questionnaire was originally developed for administrative perspective but it did not capture elements associated with strategic pay (business needs) instead, focusing on pay system design based on equity perspective. The implementation of pay structure have since changed from its conventional way where pay is provided for the job the person hold to more contemporary way by focus on the characteristics of the person rather than the job. (Heneman, Greenberger & Fox, 2002)

In 2002, Heneman *et al.* introduced new perspective on pay satisfaction in an effort to encourage organizations to adapt the theory in administering pay. Pay satisfaction was then being sub-divided into four dimensions consists of pay level, raises, structure and administration, and benefits. (Morgeson *et al.*, 2001) In addition to that, other researches suggest that it is more effective for organization to redesign its reward structure to suit different environment and industries. (Agarwal, 1998) purported that in order to incite individuals to join, remain and remain committed to an organization; managers must redesign reward systems to new realities based on expectancy theory; equity theory and need theory. Other suggestion made by compensation specialists that we should tailor systems to reward and make salient factor held as meaningful by each employee, in this case, KW. (Miljus & Smith 1987; Milkovich 1987). Besides pay structure, Zidle (1998) also recommended that Managers recognize excellence regularly as today's workers may value and be motivated by peer recognition, almost as much as

good pay. This strategy typically managers can also mix and match compensation approaches by designing and including various morale-boosting approaches (often called management controls) such as incentives, employee participation, and feedback.

Research shows that pay raise as part of pay satisfaction analysis was a significant predictor of intended and actual turnover but that pay level satisfaction was not. Thisresults shows the possibility that the different facets of pay satisfaction may play different roles in the withdrawal process. This view were shared among researchers that pay satisfaction significantly reduces turnover intent (Motowidlo 1983; Dailey and Kirk 1992; DeConinck and Stilwell 2004) This might be due to pay tend to be categorized under hygiene factor, that it does not necessarily motivate employees but the absence of it could de-motivate employees, to a certain extent, increasing the turnover rate. However, the previous studies stated above were done on general population rather than targeted towards specific population such as KW. It is interesting to study the effect of the theory on KW, due to the believe that KW was identified to be more interested at factors such as personal growth, personal identity and factors that is external to the work environment (Klimoski & Hayes, 1980; Bass, 1981; Araki, 1982; Dumaine, 1994; Cook, 1997; Duffy, 1997; Levering & Moskowitz, 1998)

In local context, rewards are perceived as return to employees for their effort and contribution towards organization achievements. Rewards does not only consists of explicit and tangible items such as money but also inclusive the psychological and non-psychological aspects. The present of both sides of rewards could predict a lower

turnover rate among employees. Malaysian academicians are found to be less satisfied with pay rates, while the same results applied to staffs with better qualifications. It is also found out that higher income employees are more satisfied with their pay rates, while age also became a factor as elder academic staffs are less likely to be dissatisfied with pay rates, but rather focusing on other benefits such as pension plans and medical benefits. (Morris, Yaacob & Wood, 2004) This suggest that pay does improve the commitment of KW, however, the degree of its relationship might varies among different population of KW.

2.4 Mentoring Systems

Mentoring is the process whereby managers provide informal assistance and support to particular subordinates on an individual basis, to help them in their efforts to be successful within the organization. (Burke, 1994) It was eventually being widely implemented among industrial practitioners where much have implemented mentoring system in view to help new employees to quickly blend into company culture and daily task, which increase productivity. The relationship between formal mentoring program and organization were studied by Orpen, 1997, who concluded that the better the relationship between mentors and mentees in the formal mentoring program, the more mentees were motivated to work hard and felt committed to their organization. The findings were used by HR departments to jump start the mentoring programs, which were first being implemented by sizeable organizations.

Orpen, 1997 further explains that employees with good relationship with mentor are shown respect and liking by these "representatives" of the organization. Good relationships with important managers serve to make other aspects of their organization more attractive to the employees involved; as opposed to what is offered by other organizations. These feelings motivate employees and improve their willingness to remain attached to their present organization than considering other alternative employment offer. In addition to that, relationship closeness facet of mentoring was found to be correlated with employees' morale and organization commitment. (Cook and Wall, 1980) This was supported by Fox, 1975, that relationship closeness via egalitarianism, communication of plans, and interaction also have a large positive effect on employees' morale in term of pride in work and organization commitment, which in term relate to employee loyalty. Pay plans or merit pay system also being discovered to work best when a close employee-management relationship exists (Lawler, 1971; Steers and Porter, 1979)

Mentoring program also played an important role in enhancing management control, which act as a broad set of managerial approaches to encourage employees to move toward desired objectives, including these types of specific controls; accountability (Tetlock, 1985), feedback (Earley, 1986), incentives (Jenkins, 1986), and empowerment/autonomy (Breaugh, 1985) Factors such as empowerment and autonomy are some of the unique characteristics of which KW view as an important motivation factor, which was discussed in previous section. In 1967, Hofstede acknowledged that interpersonal relation and communication between superior and subordinate is of much

greater importance for the functioning of the organization than the power relationship.

2.5 Career Planning

Early research such as Miljus and Smith (1987) recognized that individualized career planning opportunities are essential to retain KW. However, employees such as KW would require another type of career ladder as they might not be suitable for managerial role. Such view were made due to earlier definition of KW tend to be occupational focused, hence its direction are generally towards technical personnel or professionals. Such cases prompted researchers to suggest and introduce a new technical career ladders, specially designed for more technical related employees such as R & D Engineers and IT Programmer. This introduction brought new perspectives to organizations that involved heavily in technology application and development. However, certain organization did not appreciate this alternative as much as other by viewing it as a dumping ground or consolation prize for engineers deemed unsuited to managerial advancement (Allen & Katz 1995).

The introduction of technical career path was further being supported by Bailyn, 1982, who reported that project and professional engineers do not value the rewards or incentives offered by traditional organizational career paths, thus, making technical career path a good compliment to the existing traditional career path. Besides career planning, it was discovered that employees' organization commitment also was closely linked with the relationship of their work team (Cohen, 1993); organizational leaders

(Bass, 1985, and Yukl & Van Flee, 1992); and to their own careers (Bird, 1994; Ulrich, 1998, and Zidle, 1998). Sturges *et al*., 2002 further suggest that employees who engaged in career self management, tend to receive more organization career management. In other words, employees who look after or plan their own careers, tend to receive more attention from organizations on further opportunity that eventually leads to higher organization commitment. However, the study was previously being tested on a broader population, while it is interesting to if this situation applied on different level of KW.

2.6 Personal Growth

The opportunity of achieving personal growth is one of the motivational factors that enhance organizational commitment. Employees are likely to stay with a particular company as long as they perceive that they are provided with opportunities to continue to grow intellectually, and to be challenged with interesting projects (Zidle, 1998). By providing chances for personal growth, organizations can effectively redirect their employees' commitment by enhancing their employability by offering learning and development opportunities to their employees, employees can foster employees' commitment while enhancing their contribution to the organization. This factor was discussed in previous section describing KW characteristics, where it was inline with factors that help motivate KW commitments.

Various researches were done on the relationship between employees' growth opportunity with organizational commitment. Continuous learning or growth opportunity

is not only crucial to elicit employees' commitment but keep them motivated in work, which is crucial to an organization's competitive advantage (Nonaka, 1991; Dove, 1998; Drucker, 1998; Zidle, 1998; Scarborough, 1999; Kelloway & Barling, 2000). Besides, employees' opportunities for lateral moves, job rotation, secondment to special projects should not be overlooked by managers as they too provide opportunities for skills enhancement (Gould & Levin, 1998). These opportunities provide extra motivation to workers that perceive that the organization is committed in their personal development. Workers who feel that the organisation is committed to them are likely to have a positive perception of HRM practices and hence more committed to the organisation (Eisenberger *et al.*, 1990; Meyer and Smith, 2000). Snell, (1994) also agreed that it is necessary from a management perspective, to align the needs of KW with those of the organization not only to improve productivity but also retaining workers and improving its organization commitment.

From previous studies, it is summarized that the common strategy to improve employees' commitment is to identify their needs and strategically moved to fulfil their needs. However, due to the limited research on the KW needs and expectation up to the micro level, it is difficult for HR to plan its program to enhance employee commitments. (Davenport, 1999; Kelloway & Barling, 2000) Von Glinow, 1988 in his research on knowledge worker provide some insight into KW needs by summarized that the most important sources of retention of high technology and professional employees such as engineers derive from the professional rewards associated with the work itself, from the career planning process and from organizational processes.

2.7 Career Management

Career management or planning has always been an integral part of human resource program. It is been defined as attempts made to influence the career development of one of more people. (Arnold, 1997) The program may consist of mostly formal activities such as training courses, and assessment centres to mentoring and careers advices. Early research such as Miljus and Smith (1987) recognized that individualized career planning opportunities are essential to retain knowledge workers. Various studies carried out in UK stated that the perception of good career opportunities within an organization and the provision of development activities were described as important predictors of organization commitment (Morris, Lydka, & Fenton-O'Creevy, 1993; Arnold & Mckenzie Davey, 1999)

Employees are generally likely to stay with a particular company as long as they perceive that they are provided with opportunities to continue to grow intellectually, and to be challenged with interesting projects (Zidle, 1998). By providing chances for personal growth via career management, organizations can effectively redirect their employees' commitment by enhancing their employability by offering learning and development opportunities to their employees, employees can foster employees' commitment while enhancing their contribution to the organization. Under Organization Career Management, training and mentoring are tools that are crucial to elicit employees' commitment, keeping them motivated, which is important in enhancing organization's competitive advantage (Nonaka, 1991; Dove, 1998; Drucker, 1998; Zidle, 1998;

Scarborough, 1999; Kelloway & Barling, 2000) Besides, employees' opportunities for lateral moves, job rotation, secondment to special projects should not be overlooked by managers as they too provide opportunities for skills enhancement (Gould & Levin, 1998). These opportunities provide extra motivation to workers that perceive that the organization is committed in their personal career development. Workers who feel that the organisation is committed to them are likely to have a positive perception of HRM practices and hence be committed to the organisation (Eisenberger *et al*., 1990; Meyer and Smith, 2000). Snell, (1994) agreed that it is necessary, from a management perspective, to align the needs of knowledge workers with those of the organization not only to improve productivity but also retaining workers and improving its organization commitment.

As discussed previously under career planning, Von Glinow (1988) summarized that the most important sources of retention of KW derived from the professional rewards associated with the work itself, from the career planning process, and from organizational processes, while financial or economic rewards of either a short-term or long-term nature is the least important resources. The research findings are inline with the introduction of technical career ladders, specially designed for more technical related employees such as project and professional engineers, who do not value the rewards or incentives offered by traditional organizational career paths. (Bailyn, 1982) In the wake of this finding, technical career path served as a good compliment to the existing traditional career path. Technical career path complement the traditional career path by offering another route for professionals to remain in the organization, without having the needs to force them into

managerial works as some might not be suitable for the job. This alternative path was widely recognized by general employees as they are more committed to their work team (Cohen, 1993) or organizational leaders (Bass, 1985, and Yukl & Van Flee, 1992), or to their own careers (Bird, 1994; Ulrich, 1998, and Zidle, 1998). Despite the alternative career path being recognized as a compliment to the traditional career path, it is seen by some as a dumping ground or consolation prize for engineers deemed unsuited to managerial advancement (Allen & Katz 1995).

A study carried out by Sturges, J., Guest, D., Conway, N. and Davey, K.M. (2002) discovered that there is a significant association between formal career management help and organization commitment with beta value = 0.19, p<0.05. The studies also indicates that employees who engage in career self-management activity would likely to receive more organizational career management help as they are the ones being identified as organization successors. As a result, employees who manage their own career tend to receive more organization career management attention in their career and that contribute to higher organization commitment.

Despite findings that support the relationship between career management and organization commitment, there are concerns that drastic changes in organizations in the new era of globalization make it less feasible to sustain commitment via the traditional route of advancement or other inducements. (Gratton & Hope Hailey, 1999; Herriot & Pemberton, 1995) Another reason that causes this scenario is employees are changing their values and priorities that they are more pro-active and willing to engage in self-

career management, while welcoming the new era of boundaryless career. (Arthur & Rousseau, 1996). The scenario eventually lead to organizations question their traditional recruiting and development program due to the uneven return and long term investment provided by the organization. (Gratton & Hope Hailey, 1999) While most organizations would be on the ropes that whether they should maintain the traditional organization career management style or encouraging career self-management, they recognize the consequences in both practices as the previous would encounter significant risks of return after hefty investments while the latter might eventually resulting in employees to manage themselves out of the organization.

2.7.1 Formal Organization Career Management

Under organization career management items, there are two sections consists of formal organization career management and informal career management items. (Sturges, J., Guest, D., Conway, N. and Davey K.M., 2002) Various studies were made emphasized on the importance of early experience in the organization that is related to organization commitment. (Louis, 1980) There are also evidences shows that perception of good career opportunities within an organization and the formal development activities remain important predictors of organization commitment. (Morris, Lydka, & Felton-O'Creevy, 1993; Arnold & Mackenzie Davey, 1999) Thus, having a formal organization career management is crucial towards promoting organization behaviour, especially fresh graduates. Training and Development was discovered to be part of the main important aspects under employees experience from formal career management, and graduates'

expectation on training and development is traditionally high. (Mabey, 1986; Keenan & Newton, 1986) In addition to that, it is important to have a clear and current feedback regarding the performance of employees which was proposed via the organization career management questionnaire.

Employees' opportunities for lateral moves, job rotation, secondment to special projects should not be overlooked by managers as they offer the opportunities for skills enhancement (Gould & Levin, 1998). These opportunities provide extra motivation to workers that perceive that the organization is committed in their personal development. Workers who feel that the organisation is committed to them are likely to have a positive perception of career management practices and hence be committed to the organisation (Eisenberger *et al*., 1990; Meyer and Smith, 2000). Snell, (1994) agreed that it is necessary, from a management perspective, to align the needs of knowledge workers with those of the organization not only to improve productivity but also retaining workers and improving its organization commitment.

Besides training and development, mentoring is also part of the formal organization career planning activities. The relationship between formal mentoring program and organization were studied by Orpen, 1997, which concluded the better the relationship between mentors and mentees in the formal mentoring program, the more mentees were motivated to work hard and felt committed to their organization. This further supports various mentoring programs, which were implemented generally by sizeable organizations.

Scandura and Viator (1994), Viator (2000) suggests that mentoring program is negatively associate with intentions to leave, while also suggests a positive association between mentoring functions inclusive of role-modelling and job performance. It is believed that mentoring relationship have strong impact on each of the organization commitment component via information conveyed during mentoring relationship that consists of organization goals and values as well as information about firm expectation. This information effectively reduces role conflicts and role ambiguity, variables that have an inverse relationship with affective commitment. (Mathieu and Zajac, 1990).

Apart from its direct influence, mentoring relationship fit the definition of affective commitment antecedents as work experiences "that satisfy employees' need to feel competent in the organization and to feel competent in the work-role" (Allen and Meyer, 1990,) This is further proved in a research carried out by Stallworth, 2003, who's proposed mentoring relationship and role modelling could be antecedent experience for each of the organization commitment dimensions. With both antecedent variables proposed being accepted with both mentor and role modelling variable were proven significant at correlation of 0.42 and 0.39 respectively both are significant at the 0.01 level (one-tailed)The importance of mentor-mentee relationship, which contributes to relationship closeness brought us to the informal aspect of organization career management,

2.7.2 Informal Organization Career Management

Although the mentoring system was categorized under formal organization career management, it also contributes to the informal aspects where mentoring is also the process whereby managers provide informal assistance and support to particular subordinates on an individual basis, to help them in their efforts to be successful within the organization. (Burke, 1994) These views were shared among industrial practitioner where much have implemented mentoring system in view to help new employees to quickly blend into company culture and daily task, which increase productivity. Employees with high organization commitment tend to seek for more influential mentors who perceived to be able to help them to further their career in their current organization. (Arnold, 1997)

Orpen, 1997 further explain that employees with good relationship are shown respect and liking by "representatives" of the organization. Good relationships with important managers, on the other hand serves to make other aspects of their organization more attractive to the employees involved, relative to what is on offer by other organizations, making them more willing to remain attached to their present organization than considering other alternative employment offer. In addition to that, the good relationship encourages informal efforts from their employers or mentors to provide assistance such as career advice and social networking around the working environment, which would help the employees. Social networking inclusive of informal help such as the introduction to influential people at work, who is capable to assist employee's way in

the organization. This was supported by earlier research that, employers need to provide assistance to employees to further their skills while improving their confidence to succeed. (Noe, 1996; Fournier, 1997) In addition to that it was supported that there is a positive link between getting career management help from organization practice of internally focussed career self-management that will bring employees to the attention of influential, senior staff and managers, putting them in the position where they are likely to attract more help from the organization (Arnold, 1997)

Limited research to date has specifically investigated the effects of career planning and management on organizational commitment despite evidence proved that it is likely to make significant contribution towards organization commitment. (Arnold & Mackenzie Davey, 1999) While Pitcher & Purcell, (1997) and Mabey, (1986) also supported this by identifying that employees who do not receive adequate career management help from their employer, this will be seen as a source of dissatisfaction and they will have little option but to manage themselves to seek opportunities outside the organization. Hence both formal and informal organization career management would serve as an important factor to this study, especially on knowledge worker perspective as there is a gap between the studies, which are mostly concentrating on general employees or newly recruited graduates.

2.9 Research Framework

Figure 2.1

Preliminary Research framework
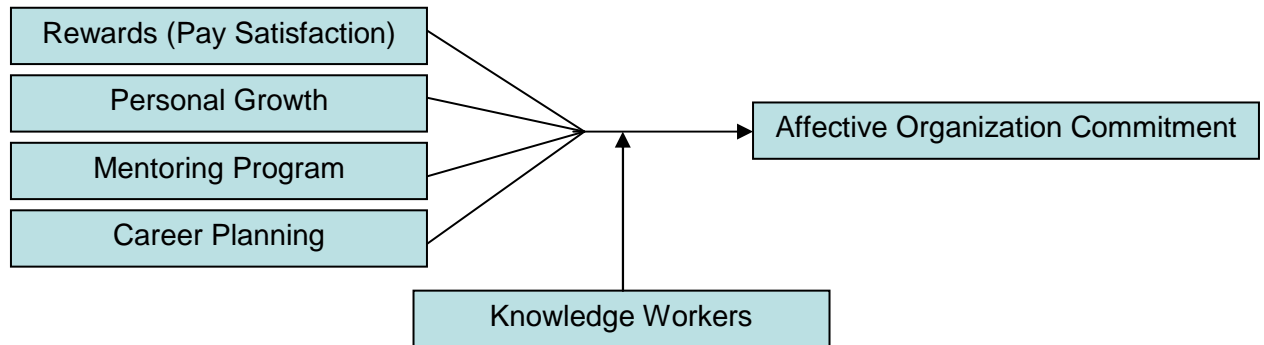
2.10 Hypothesis Development

Much research was done by scholars on money or pay as the primary motivation factor towards organization behaviour. Most people are motivated by money (Tang *et al.*, 2000) and money is the reason to many organizational outcomes. Thozhur, Riley & Szivax, 2006 recognized that money is a significant variable in explaining pay satisfaction among low paid workers and high income employees. Employees pay satisfaction depends largely on one's choice of money importance, on other words; it dictates the level of pay satisfaction. When employees do not increase the importance of money, they will be satisfied with their pay (Tang *et al.*, 2002). Money will be able to satisfy higher order needs, which include self-actualisation (Tang *et al*., 2003), which explains that it is an essential motivation factor that applied to all employees. However, its degree might vary from different type of populations, in this case KW. Due to previous studies conducted were generally based on demographic differences such as age

and gender, it is interesting to explore KW based on the previous definition of knowledge usage in work, rather than occupation.

In addition to that, Tekleab *et al.* (2005) reported that pay satisfaction was a significant predictor of intended and actual turnover, however, introducing the possibility that the different facets of pay satisfaction may play different roles in the withdrawal process. This view is shared among researchers that pay satisfaction significantly reduces turnover intent. (Dailey and Kirk 1992; DeConinck and Stilwell 2004; Motowidlo 1983) In addition to this, it is also important to link the relationship between pay satisfaction and Affective Organization Commitment due to the fact that previous researches are generally being conducted upon organization commitment as a whole, rather than focus on its subset, which in this study, Affective Commitment. Due to previous studies suggesting that pay satisfaction is positively linked to organization, we hypothesized that pay satisfaction is positively linked with affective commitment.

H₁   Employee Rewards (Pay Satisfaction) is positively related to Affective Commitment.

Career management or planning has been defined as attempts made to influence the career development of one of more people. (Arnold, 1997) Formal activities such as training courses, and assessment centres to mentoring and careers advices are part of formal organization career management. Early research such as Miljus and Smith (1987) recognized that individualized career planning opportunities are essential to retain

knowledge workers. Various studies carried out in UK stated that the perception of good career opportunities within an organization and the provision of development activities were described as important predictors of organization commitment (Morris, Lydka, & Fenton-O'Creevy, 1993; Arnold & Mckenzie Davey, 1999)

In his research on knowledge worker, Von Glinow (1988) summarized that the most important sources of retention of high technology and professional employees such as engineers derive from the professional rewards associated with the work itself, from the career planning process and from organizational processes, while rewards, whether long term or short term is the least important factor on the list of importance. Miljus and Smith (1987), also recognized that individualized career planning opportunities are essential to retain knowledge workers, which is part of FOCM.

As identified under literature review, FOCM includes certain facets of personal growth, mentoring, as well as career planning. These overlapping variables are all identified to influence the commitment of employees, as well as KW. Training and job assignments were identified as part of personal growth, where it is important for organization not only helping their valuable KW to grow but also the right motivation could also improve KW productivity. (Dove, 1998; Drucker, 1998; Kelloway & Barling, 2000; Nonaka, 1991 ; Scarborough, 1999, and Zidle, 1998) In addition to that, it was identified that relationship closeness, promoted under mentoring program is one of the reason improving employee organization commitment. (Orpen, 1997) Mentoring program is widely being promoted and accepted by organizations as part of their formal activities

to promote employee organization commitment.

Due to it is identified that FOCM could be a more complete variable to replace personal growth, mentoring and career planning in this research to be positively related to Affective Commitment, it is hypothesized that :

H_2 *Formal Organization Career Management is positively related to Affective Commitment.*

Although mentoring program is recognized as part of FOCM, its implementation, however, consists of various aspects which are closely connected to IOCM efforts. The definition of mentoring itself is self-explanatory, where it is the process whereby managers provide informal assistance and support to particular subordinates on an individual basis, to help them in their efforts to be successful within the organization. (R.J.Burke, 1994) The Mentoring function lies under FOCM while the mentoring process, lies under IOCM as the informal aspects consist of mentor or employers' effort on providing assistance such as career advice and social networking, which proved to be important towards employees' career management. These views were shared among industrial practitioner where much have implemented mentoring system in view to help new employees to quickly blend into company culture and daily task, which increase productivity. Employees with high organization commitment tend to seek for more influential mentors who perceived to be able to help them to further their career in their current organization. (Arnold, 1997)

IOCM efforts inclusive of informal effort by organization to assist the development of employees, inclusive of assignment of mentor as part of mentoring process to help KW to settle faster into the organization. IOCM includes efforts by organization to introduced KW to others who prepare to assist them in their career, improving their networking and career advice, which could be done by mentor or other colleagues. (Arnold, 1997) In turn, IOCM efforts are inline with the preference and needs for KW, which was identified in previous sections, to promote its commitment.

Hence, it is hypothesized that :

*H₃   Informal Organization Career Management is positively related with Affective Commitment.*

Although much work were done to study the relationship of factors such as rewards (pay), FOCM and IOCM, towards organization commitment, (Lee and Maurer, 1997; Orpen, 1997; Daigle-LeBlanc, 2001) there are limited literatures studying these relationships with regards to different levels of Knowledge KW. KW was termed as high, medium and low with regards to their usage of knowledge in their daily work by Withey in 2003. One of the objective of the development of this scale is to introduce a new definition and the means to measure KW based on the daily knowledge work. It has provided a tool to test the potential differences among KW affecting variables such as pay, FOCM and IOCM towards affective commitment. This suggested that level of KW moderate the relationship between pay, FOCM and IOCM towards affective commitment. In the new world of knowledge worker, attracting and retaining high-talent

people is at least as important as anything else in a company. In the new world of knowledge economy, attracting and retaining high-talent people is at least as important as anything else in a company. This statement was echoed by world renowned knowledge worker gurus, Peter Drucker, who supported the fact that the first sign of decline of a company is the loss of appeal to qualified, able and ambitious people. Hence, it is important not only to distinguish the different factors affecting the affective commitment of KW but also to understand the effect of different level of KW towards these factors. Thus, allowing industrial practitioner to identify the best combined strategy move to motivate its KW, based on the actual level of KW involved, to attract and retain KW the organization. Thus, the final hypothesis suggests that the different levels of knowledge worker could moderate the relationship between employee pay satisfaction, FOCM and IOCM towards affective commitment.

H_4 *Knowledge Worker Levels moderate the relationship of employee Pay Satisfaction, Formal Organization Career Management and Informal Organization Career Management towards Affective Commitment.*

2.11 Revised Research Framework

Figure 2.2: Research framework
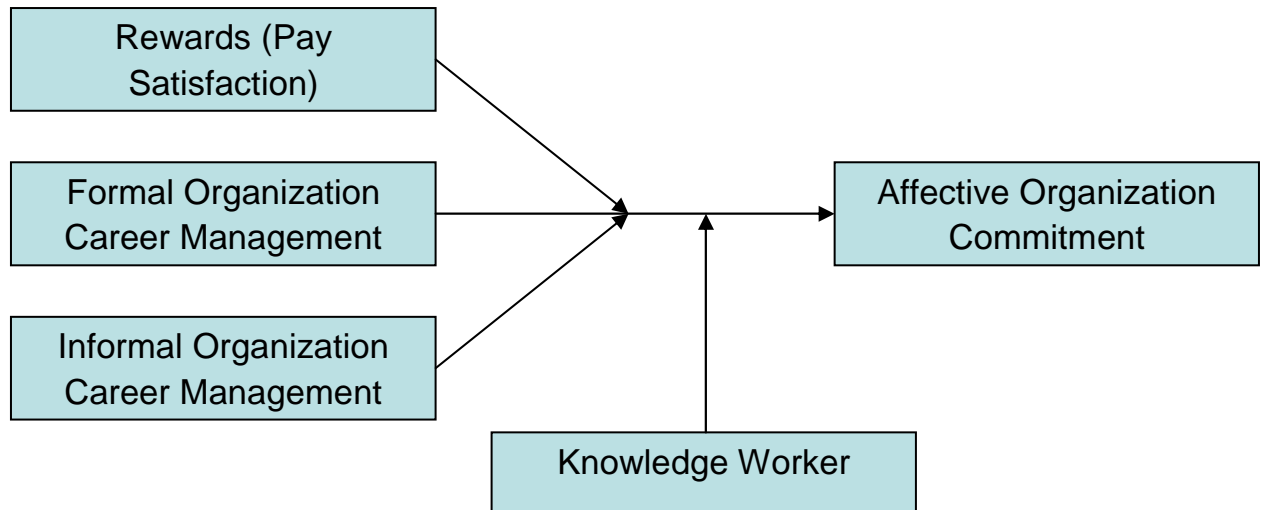
As highlighted in Section 2.9, Figure 2.1 represents the preliminary framework to test the hypotheses that of moderating effect of knowledge workers on independent factors such as 1) Pay, 2) Personal Growth, 3) Mentoring and 4) Career Management with Affective Commitment. However, from literature, it is suggested that these independent variables were defined in a more complete way by both FOCM and IOCM. Hence, the revised framework (Figure 2.2) is developed to test the hypotheses that of moderating effect of KW on independent factors such as 1) Pay, 2) Formal Organization Career Management and 3) Informal Organization Career Management. The sample is targeted towards working individuals in Klang Valley, The justification of the study, literature review on the variables, and hypotheses are discussed and proposed. In this study, pay, FOCM, IOCM are the independent variables, while affective commitment is the dependent variable. Knowledge worker is the variable of interest and is expected to

be a significant moderator in the proposed relationship. Knowledge workers are grouped into different levels, high, medium and low, which are able to quantify knowledge worker level based on questionnaires developed by Withey, 2003.

The proposed framework (Figure 2.1) was a modified version of previous studies carried out to predict turnover among knowledge workers. The variables have, individually, been widely studied. However, the attempt to relate all of them into one model with knowledge workers are able to be identified and quantifiable that enabled studies to be carried out between the high, medium and low level knowledge workers on Malaysia context, which were not being done or at least not in the published literatures.

2.12 Summary

Each variable of interest has been systematically reviewed in the previous section – KW, Affective Commitment, Pay Satisfaction, Personal Growth, Mentoring, Career Planning, FOCM, and IOCM. Research gaps and inconsistencies are discovered. Hypotheses and framework are developed for further investigation in the following chapters.