

Research on the Optimization Path of Incentive Mechanisms for Knowledge-Based Employees in Enterprises

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Abstract: With the wave of knowledge economy sweeping, knowledge-based employees play an important role in achieving sustainable development of enterprises. Therefore, how to formulate scientific and effective incentive measures to retain them has become an important topic to be overcome in modern enterprise human resource management. According to the problems of enterprises such as monotonous incentive methods, lack of objective performance evaluation systems, single incentive objects and lack of fairness and justice in measures. We will respond by shaping an excellent corporate culture, building a scientific salary system, paying attention to the growth of knowledge-based employees, and adopting diversified incentive methods.

Keywords: Knowledge-based employees; Incentive mechanism; Talent management

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1. Introduction

In modern enterprises, knowledge-based employees are playing an increasingly critical role. If we trace the origin of this concept, we will see that it was originally proposed by management thinker Peter Drucker to refer to people who rely on professional knowledge or information to carry out their work. As society changes, its connotation continues to expand and deepen. Compared with ordinary employees, they usually have a more systematic educational background. They not only have strong learning abilities and are good at absorbing new knowledge, but also show strong independence at work. They pay more attention to the realization of personal values, pursue a sense of accomplishment and growth space at work, and often have longer-term expectations for career development ^[1].

In fact, the value creation methods of such employees are also quite distinctive—they mainly rely on mental work rather than physical effort, are good at integrating various knowledge resources, and bring efficiency improvement and high added value to the enterprise through innovative work. Since the reform and opening up,

from technological research and development to management innovation, knowledge-based employees have become the core force in promoting organizational development. The importance attached to such talents at the national level is also increasing day by day. The 16th National Congress of the Communist Party of China proposed the strategy of “strengthening the country through talents”, which for the first time upgraded human resources to the national strategic level. As a result, knowledge-based employees were systematically included in the country’s overall talent development plan. At the 20th National Congress of the Communist Party of China, it further clarified its strategic positioning as a core element of new productive forces, emphasized their important role in breakthroughs in key technologies and the development of new fields, and provided solid talent support for the country’s high-quality development.

However, in reality, the management of knowledge-based employees still faces many challenges: problems such as relatively single incentive methods, unscientific performance evaluation systems, and insufficient internal fairness are gradually emerging. These factors not only restrict their work efficiency, but also affect the sustainable development of enterprises. This research will focus on the practical difficulties faced by knowledge-based employees and try to propose targeted optimization paths to provide reference for enterprises to improve their management models.

2. Characteristics of knowledge-based employees

2.1. High degree of autonomy and creativity in work

In the human capital composition of modern enterprises, knowledge-based employees occupy the core position of value creation. Its most prominent behavioral characteristics are its pursuit of a highly autonomous working style and its alienation from traditional authoritative management models. They are more inclined to actively explore work rhythms that are consistent with individual cognitive characteristics through self-guidance.

The core values of knowledge-based employees are reflected in the level of professionalism and innovation ability, and they have the ability to integrate interdisciplinary knowledge. Its continued strong thirst for knowledge and excellent learning ability enable it to flexibly use multidisciplinary methodological tools to effectively respond to various challenges faced by the organization. Compared with ordinary employees engaged in procedural work, they are particularly good at dealing with unstructured problems-breaking through key technology bottlenecks and designing in systematic innovation solutions, and being able to propose forward-looking solutions through in-depth thinking activities. This nature of work dominated by complex mental work determines that their demand for work autonomy is significantly higher than that of ordinary employees. It is worth noting that even if they encounter periodic setbacks in the innovation process, they can still rely on strong intrinsic motivations to maintain a positive psychological state, demonstrate excellent organizational learning capabilities, are good at refining cognitive laws from failure experiences, and transform setbacks into new knowledge assets, laying a theoretical foundation for subsequent breakthroughs^[2].

Based on the above characteristics, knowledge-based employees show special sensitivity to the autonomous work environment. This need is reflected not only at the daily operation level, but also deeply rooted in their career planning and value realization process. They desire to decide independently the direction and method of work, and prefer to choose positions that can give full play to their subjective initiative to achieve a deep fit between individuals and their work. From the perspective of organizational management, to effectively stimulate the potential of such employees, it is necessary to build an inclusive organizational culture, grant appropriate decision-

making participation rights, and establish a flexible management structure. Research has confirmed that their creativity can be fully released only in an environment where constraints are minimized. It can be said that only by truly respecting their independent choices can we continue to activate its enthusiasm for innovation, enable them to continuously achieve knowledge value-added and technological breakthroughs in the process of coping with complex challenges, and ultimately form lasting advantages that companies are difficult to replicate in market competition.

2.2. Have a strong motivation to realize self-worth

In Maslow's hierarchy of needs, as far as knowledge-based employees are concerned, they often value not low-level physiological or safety needs, but higher-level respect needs and self-worth realization needs. In terms of job choices, they tend to promote personal growth and enhance professional skills. As far as the work process is concerned, they rely on their own unique knowledge and professional skills to constantly explore and learn new knowledge and new technologies, and continue to improve their professional knowledge and skills, so as to gain a sense of inner satisfaction and professional accomplishment.

Knowledge employees always have enthusiasm for knowledge exploration and career development, and have a strong motivation for achievement. They pursue perfection in their work results. In terms of overcoming difficulties and harvesting results, they can deeply feel the sense of satisfaction and accomplishment. At the same time, they value the evaluation of themselves by the organization and others, and urgently hope that their knowledge and skills will be recognized and respected by society, so as to clarify their own value^[3]. Therefore, for their motivation, non-material incentives such as achievement incentives and spiritual incentives are much more important than material incentives such as wages and bonuses, which is highly consistent with their pursuit of self-realization.

As far as knowledge-based employees are concerned, the significance of work goes far beyond maintaining a livelihood and meeting basic living needs. It is more about allowing their professional strengths to be fully displayed, gaining growth and success in their careers, and then realizing self-worth and gaining recognition and respect from others. They are eager to witness the implementation of their work results with their own eyes, and they are eager to have tangible meaning and bring valuable contributions to the team, the enterprise and even society. In this process, they find a sense of professional belonging and mission.

2.3. Strong mobility and low organizational loyalty

As professionals in specific fields, knowledge-based employees have unique professional knowledge, skills and abilities, which makes them less dependent on corporate organizations, relatively weaker loyalty, and naturally more mobile at work. Their career development is no longer limited to a certain enterprise, and their career pursuits have long changed from seeking an "iron rice bowl" that they can work for a lifetime to continuously improving their employment competitiveness that can be reused for life. This profound shift in concept greatly reduces the possibility of them maintaining long-term employment relationships with companies.

Moreover, knowledge-based employees are more inclined to take on challenging tasks and pursue excellent work results in order to prove their worth and meet high-level psychological needs such as respect and self-realization. As far as they are concerned, career mobility is not a "betrayal" to the enterprise, but an important way to enhance personal value. Therefore, they will not be obsessed with serving a certain enterprise stably for a long time, but will flexibly choose a more suitable platform based on their own development needs. As market

competition becomes increasingly fierce, competition among companies for high-end talents becomes increasingly fierce, which also accelerates the flow of knowledge-based employees to a large extent.

With solid professional foundation and outstanding ability advantages, they have become core resources that major companies compete to absorb. The current talent market is active and the flow of Internet information is convenient, making it smoother for them to change jobs. In their daily work, they will continue to pay attention to how well they match themselves with the working environment and whether the treatment they receive is fair and reasonable. Once you find that your current position limits your growth, or you encounter unequal efforts and rewards, you will decisively find a more suitable development platform for yourself to ensure that your career path always extends in a direction conducive to self-improvement ^[4].

2.4. Results are difficult to quantify and process is difficult to monitor

The nature of the work of knowledge-based employees is fundamentally different from that of employees engaged in regular work. Their work is centered on thinking activities, mainly relying on mental work rather than physical effort. The work process is highly intangible and is not subject to fixed time and space constraints. Different from assembly line operations, which have clear operating specifications and fixed processes, knowledge-based employees lack unified step guidance, are more dominated by subjective initiative, and are more arbitrary, which makes it very difficult to monitor the labor process in regular ways, and it is difficult to forcibly implement monitoring. Implementation, and the actual effect is negligible.

In terms of work output, the achievements of knowledge-based employees are mostly reflected in intangible forms such as conceptual innovation, technological breakthroughs, and management optimization, and are not physical products that can be directly quantified in traditional cognition. The transformation cycle of such achievements is generally long and it is difficult to show results in the short term. Their value evaluation also lacks unified standards, which objectively increases the difficulty of evaluation. At the same time, knowledge-based employees often need to handle complex tasks, and their work progress is easily affected by factors such as technical iteration and market fluctuations. It is difficult to complete the process within a single performance evaluation cycle, which further increases the difficulty of quantifying results.

Modern corporate innovation activities have increasingly relied on team collaboration rather than individual work alone. Whether it is scientific research projects, product research and development, or strategic planning, it often requires cross-department or even cross-organization linkage. The final result is actually the condensation of collective wisdom. In this context, how to accurately measure the contribution of team members has become a prominent problem in management practice. If a simple performance allocation method is adopted, the value of core roles in key links may be ignored; if an excessive emphasis is placed on individual assessment, the tacit collaboration among members may be weakened and the overall work efficiency may be dragged down ^[5].

3. Practical constraints on the incentive mechanism for knowledge-based employees

3.1. Enterprise incentive methods are too monotonous

As far as the process of building employee incentive mechanisms is concerned, companies often face the challenge of simplifying incentive models. At present, employee incentives are mainly divided into two types: material incentives and non-material incentives. However, when motivating employees, many companies excessively use material means, such as direct economic rewards such as year-end bonuses and performance commissions,

but ignore the importance of non-material incentives such as career promotion, professional training, and job achievement. Research on the incentive system for knowledge-based employees shows that the proportion of non-material incentives such as achievement and recognition is much larger than that of material incentives such as money.

Knowledge employees have a strong desire for work results, and they firmly believe that the quality of work results is the most powerful proof of measuring work efficiency and personal ability. In their daily work, they are always keen to discover problems, solve problems with their own professional knowledge and skills, give full play to their own value, be recognized by others in society, and make a contribution to the development of the company. Based on these characteristics, for knowledge-based employees, the achievements made at work are the core of their inner motivation that can most stimulate their inner motivation. In contrast, traditional material incentives such as money are significantly less important and can only play a supporting role ^[6].

However, many corporate managers still limit incentives to short-term material incentives such as salaries and bonuses. This kind of one-sided incentive method is not only difficult to continuously mobilize employees' enthusiasm, but also causes employees' enthusiasm for work to fade and it is difficult to realize their own value. In the long run, enterprises will be unable to achieve the expected incentive effect, and it will be difficult to fully release the potential of knowledge-based employees, which will ultimately affect the long-term development of the enterprise and the improvement of core competitiveness.

3.2. Lack of objective performance evaluation system

At present, many enterprise performance evaluations mainly face two core problems: one is that there is no system design performance evaluation or there are flaws and loopholes in the design and implementation of the system, and the actual operation effect is poor; the other is that the evaluation lacks fairness and scientificity, and performance evaluation fails to reflect fairness and objectivity. The root cause of the problem can be boiled down to two points:

- (1) The evaluation system is rigid and lagging behind. The current system still follows the traditional framework. It has neither established performance-oriented standards that match market rules, nor has it been carried out according to changes in the market environment, adjustments in strategic goals, and dynamic evolution of positions;
- (2) The employee participation mechanism is missing, the evaluation system is unilaterally designed by the human resources department, employees do not have the opportunity to participate in goal setting and evaluation standard formulation, and there is no effective feedback mechanism, which makes knowledge-based employees remain passive for a long time, seriously weakening the incentive effect ^[7].

There are also some companies that have established evaluation systems but do not have systematic evaluation standards and only adopt simple scoring models. In this case, managers tend to give average scores, resulting in a lack of discrimination and accuracy in the evaluation results. This makes some people in the enterprise take opportunistic or free-riding behaviors. There are also some companies that build detailed performance evaluation systems, but their implementation is seriously superficial. The mere performance evaluation cannot accurately link incentive methods such as remuneration and promotion with employee performance, nor can it formulate employee skills and attitudes in a targeted manner. Training programs ultimately lead to the failure of the incentive function.

3.3. Insufficient diversification of incentive targets

At present, many companies generally have the problem of “lack of diversified incentives” in the field of employee incentives. For instance:

- (1) In terms of the design of incentive mechanisms, most companies have not yet established a scientific needs assessment system. The understanding of employee needs still remains at the level of superficial speculation and empirical judgment. They have neither built employee needs through scientific assessment tools, nor designed hierarchical and classified incentive plans for different job attributes such as management posts, technical posts, and operation positions, as well as the needs characteristics of differentiated groups such as new employees, core backbones, and senior experts. Generally, for ease of management, companies often adopt a “one-size-fits-all” incentive model, pursue an egalitarian distribution concept, and apply a set of standards to all employees without taking into account the differences in needs between different employees. This kind of “universal” incentive may seem simple and efficient, but actually falls into the misunderstanding of “non-discriminatory treatment” and cannot accurately match the real needs of employees, resulting in incentive measures being mere formality and having little effect^[8];
- (2) In the construction of the salary system, standardized management thinking is also prominent. A unified framework is adopted for employees in the same position, seriously ignoring the individual differences in skill levels, innovation contributions, and career planning of knowledge-based employees. The company did not deeply analyze the characteristics of knowledge-based employees and did not formulate differentiated salary plans for different groups, resulting in an imbalance between salary incentives and actual needs. As a result, the effectiveness of salary incentives cannot be fully exerted, which not only restricts the release of employees’ potential, but also hinders the stimulation of corporate growth vitality.

3.4. Lack of fairness and justice in incentive measures

The current incentive system has obvious flaws in fairness and scientificity, which are mainly reflected in two major dimensions:

- (1) The promotion mechanism lacks standardization and fairness. On the one hand, standards and processes are blurred, promotion evaluation standards and basis are opaque, and the implementation process does not strictly follow the “examination selection and open competition” mechanism. In actual operation, excessive reliance is placed on leadership nomination, and democratic evaluation is a mere formality, resulting in insufficient credibility and serious lack of fairness in promotion results; on the other hand, job promotions are based on seniority, and the promotion channels are narrow. Promotion relies too much on working years and academic qualifications, and ignores actual ability assessment. The enthusiasm and creativity of some young knowledge-based employees are frustrated because their abilities are not valued, which makes it difficult for the incentive mechanism to reflect fairness and justice and to play an incentive role^[9]. The promotion channel is narrow, the promotion proportion of knowledge-based employees is low, and most of them are monopolized by technical backbones. Ordinary technical personnel have no hope of promotion, and their sense of career development goals is weakened, which seriously suppresses their enthusiasm for work;
- (2) The value evaluation system is highly random. Knowledge employees engage in high-intensity mental work and desire to publicly display their results to gain recognition from others and society. This is a

characteristic of their knowledge employees. However, the current mechanism has dual problems. On the one hand, the selection process is simplified. Most of the candidates are directly appointed by department leaders, which is highly subjective; on the other hand, the allocation of quotas is unbalanced. Part of the award quota is allocated to the leadership, and the grass-roots employees can only compete for the remaining quota, resulting in psychological imbalance of the non-winners and reduced enthusiasm for work.

4. Optimizing paths for the incentive mechanism for knowledge-based employees

4.1. Shaping a corporate culture with excellent connotations

Facing the growth and development of knowledge-based employees, companies need to create a harmonious working environment and build an organizational culture that integrates innovative thinking and team spirit. As a platform for employees to realize self-worth, enterprises should actively expand development space for knowledge-based employees, so that they can fully release their personal values and achieve career goals together with the enterprise.

Enterprises can build a cultural system that combines independent thinking and collaborative spirit, stimulate employee vitality and strengthen team cohesion through a dual-track approach. The first is to shape values. Enterprises need to attach importance to the strategic position of knowledge-based employees in the human resources system, build shared, fair and equal workplace relationships, and provide a stable development environment for employees. Enterprises also need to build a common vision with employees that is deeply consistent. The core is to create a value system with deep participation and inner recognition, so as to reach employees' spiritual level, stimulate their motivation for achievement and create more value for the enterprise.

Additionally, enterprises should build two-way open communication channels to improve the efficiency of information flow, establish a real-time feedback mechanism for employee participation in management, and strengthen the organizational democratic decision-making process. Combined with the characteristics of knowledge-based employees, we will form a learning team with consistent goals to support members to collaborate in problem solving and carry out innovative practices to achieve dual improvement of personal capabilities and corporate competitiveness^[10].

4.2. Build a comprehensive and scientific salary system

Starting from diversified economic remuneration, external remuneration is presented in an intuitive monetary form, covering wages, performance bonuses, stock options, etc., which can directly quantify economic remuneration. By optimizing the salary structure, it not only protects the basic living needs of employees, but also binds personal growth with the company's strategic goals in a long-term way to retain employees, allowing employees to share the fruits of development, thereby forming differentiated appeal in the talent market and achieving short-term retention and long-term.

In terms of achievement motivation, set challenging and clear goals and provide timely feedback. The sense of value obtained by employees when completing difficult tasks is often more motivating than simple economic returns; development incentives emphasize "making policies according to people", helping employees break through ability boundaries and achieve career growth through customized training and cross-functional rotation opportunities; in terms of environmental incentives, flexible arrangements such as flexible working system

and telecommuting balance employees 'work and life; Emotional motivation can enhance employees 'sense of belonging in an atmosphere of trust and respect, and make them continue to output enthusiasm and creativity.

The core of the dynamic correlation between salary and performance lies in establishing a set of index system that can measure both "work value" and "personal value". The system needs to take into account quantity and quality and achieve quantification when possible to improve the operability of evaluation. The evaluation process must be fair and open, so that employees can understand the assessment results and basis in a timely and clear manner. The evaluation results need to be linked to decisions such as salary adjustment and career promotion. This correlation ensures fairness in salary distribution and achieves accurate identification and feedback of individual contributions^[11].

4.3. Focus on opportunities for growth of knowledge-based employees

Lay a clear career path so that work becomes not only a source of income but also a platform for self-expression and value realization. Organizations and managers should understand employees' personal aspirations, help them set challenging yet attainable goals, and provide training resources and promotion channels that align with different development trajectories. Visible growth ladders reinforce the organization's commitment to individual development and strengthen employee loyalty.

A systematic and practical training system is essential in an era defined by rapid knowledge renewal. Continuous learning is key to maintaining competitiveness, making it necessary for enterprises to establish comprehensive training frameworks that emphasize practical application. Rich learning resources can encourage employees to update their skills proactively, supporting both personal capability enhancement and organizational strategic advancement.

Creating an atmosphere that encourages independent exploration and practice further promotes growth. Knowledge-based employees typically possess strong learning motivation and a desire for self-improvement, requiring both supportive platforms and a culture that values inquiry and experimentation. In such an environment, they can explore, practice, and push the boundaries of their capabilities, ultimately achieving aligned progress for both the individual and the organization^[12].

4.4. Adopt diversified means to motivate employees

In terms of building a diversified incentive mechanism, in addition to corporate culture shaping, salary and benefits, career planning and training and learning, companies can also use a variety of incentive strategies such as authorization incentives, emotional incentives, and work incentives.

Knowledge employees often pursue novelty and are willing to take on challenging work in order to achieve personal value and gain recognition and respect. Combined with this feature, enterprises can adopt an authorization incentive model, clarify the work direction through target management and other methods, reasonably delegate power to employees, and give them more decision-making autonomy and independent working space. This can not only meet employees 'needs for work autonomy, but also effectively mobilize work enthusiasm. When assigning tasks, you can also emphasize the importance of work, appropriately increase the difficulty of tasks, stimulate employees 'interest in work, promote their full commitment, and thereby improve work quality and efficiency.

Emotional motivation is equally critical. Knowledge employees value the support of superiors. Managers need to establish an equal and friendly relationship with them in daily communication, actively listen to their thoughts and concerns, and solve life and work problems in a timely manner, so as to strengthen employees 'sense

of organizational belonging. Work incentives are also effective incentives. The first is to incorporate pioneering projects into work design to enrich work content; the second is to implement flexible management for knowledge-based employees, providing options such as flexible attendance and telecommuting; the third is to achieve accurate matching of personnel and posts through talent evaluation, combining employees' professional abilities and scientific job allocation with personality characteristics^[13].

5. Conclusion

Knowledge-based employees are key drivers of innovation and value creation, yet their autonomy, mobility, and intangible outputs challenge traditional incentive systems. Current practices, monotonous rewards, weak performance evaluation, limited diversification, and fairness issues, often fail to fully engage or retain them. Effective incentive mechanisms should integrate a supportive corporate culture, fair and performance-linked compensation, clear career paths, practical training, and diversified motivational strategies, including autonomy, recognition, and challenging tasks. Aligning organizational practices with employees' intrinsic motivations enhances retention, stimulates creativity, and strengthens sustainable competitive advantage.

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