

# Research on Motivation of New Generation Knowledge Employees -- A Study of Huawei Company in China

Yuxuan Zuo

*The university of Manchester*  
*yuxuan.zuo@student.manchester.ac.uk*

## ABSTRACT

New generation employees who were born in the 1990s and 1980s represent the largest proportion of current work market worldwide. These knowledge-based employees in China are labelled 'new generation employees', which is similar to a term of 'Millennials' or 'Generation Y' in Western countries. Due to employees unique characteristics and increasing numbers in the workplace, how to motivate new generation knowledge employees has become more and more important for managers. The study in the paper is based on the motivation theories, and adopts case study. In this paper, it mainly explain motivation theories and discuss the motivation measures through Huawei case in China. Finally, it will be concluded that effective measures for new generation knowledge employees in reward management, training and coaching, career development and performance management.

**Keywords:** *new generation employees, motivation, human resource management.*

## 1. INTRODUCTION

As most new generation knowledge employees are into the workplace in recent years, how to manage and motivate this generation employees has become a hot topic in the field of management[1]. It is undeniable that motivation relate to many management activities in human resource practices, e.g., human resource planning, recruitment management, training and development, and reward management[2]. For sake of organization future development, motivation is an effective measure for new generation knowledge employees to improve organizational effectiveness and productivity[3]. Plenty of evidences and arguments refer that the importance of motivation cannot be underestimated in management. Through exploring Huawei case in motivation management, it help organization understand millennial graduate employees in the workplace. Consequently, Huawei establish a good model for managers and HR personnel in other organizations to motivate millennial graduate employees effectively by using motivation theory.

## 2. LITERATURE REVIEW

### 2.1. The characteristic of new generation knowledge employees

Chinese new generation employees who are generally born in the 1980s and 1990s have their special characteristics, because they are equipped with advanced knowledge[4]. Comparing with 60s and 70s employees, there are great differences in the growth environment, education level, the ability of receiving new knowledge, thinking logic, behavior mode, science and technology level and other aspects[5]. Most 80s and 90s employees were the new generation which is born under the background of 'one child' policy in China, so that they gain more attention from their parents and grandparents[6]. Most new graduates grow up in rich material conditions, so millennials employees rarely need material life. Lacore (2015) think that these new generation employees tend to be more confident than previous generations and have a strong desire to change the world in their workplace and lives[7]. Haibo et al. (2018) also proposed that these features may pose enormous challenges for human resource management in enterprises. Ren et al. (2018) find that the new generation employees in China desire working with high relationship-oriented leadership[8]. Thus, when the team leaders who care and coach their subordinates, the performance have a good result.

## **2.2. Motivation theory**

In general, motivation theory is usually divided into two parts: content theory and process theory. To be more specific, there are MacGregor's theory X and Y, Herzberg's two factor theory, MacClelland's learned needs theory and Maslow's hierarchy of needs. These theories of content theory mainly pay more attention on motivator, however, process theories focus on making decisions of future goals, including Adams' equity theory, Vroom's expectancy theory, Locke's goal setting theory and Skinner's reinforcement theory.

In fact, content theories outline that different people have different needs, so that managers need consider different needs of employees. When it comes to Maslow's hierarchy of needs, five kinds of needs are divided in work and life, including physiological needs, security or safety needs, belongingness needs, esteem needs and self-actualization needs[9]. Furthermore, Bundtzen (2021) refer that Herzberg's two factors affect employee performance to some extent[10]. Comparing with hygiene factors, motivator factors can improve labor productivity and bring satisfaction of employees. As one of the most famous models, two-factor theory is also helpful for companies to improve the degree of job satisfaction in management. In addition, McClelland's theory states that personal needs are obtained or learned through various events in daily life[11]. In other words, motivation can be trained and consequently improve productivity. Learned needs theory has a high application value in enterprise management, focusing on people's high-level needs and social motivation.

As for process theory in motivation, critics pay more attention on feedback of employees. Skinner's reinforcement theory argue that the consequences of behavior are the main cause of influencing behavior. After some behavior or reaction, a gratifying result becomes an enhancer to control behavior. Locke's goal setting theory pinpoints difficult and specific goals can lead to higher performance, thus, goals should follow the rule of "SMART" (i.e., specific, measurable, achievable, relevant, time). Vroom's expectancy theory believe that the motivation of individuals to perform various tasks depends on the expectations of the possibility of success and the value given to the task. The more likely a person is to achieve this goal, the stronger the incentive value gained from it, and the greater the motivation an individual has to accomplish the task. Adam's equality theory believes that If the payment is fair, employees gain satisfaction to inspire their behavior. It is closely related with salary level and performance rating. Different evaluation methods will get different results, and most organizations advocate payment by performance.

## **3. DISCUSSION**

Huawei company, as a leading global provider of smart devices and information and communications technology (ICT) infrastructure, founded by RenZhengfei in the year of 1987[12]. Nowadays, Huawei company operate in exceed 170 countries and regions, there are approximately 197,000 employees and serving more than about three billion people around the world. Up to 80 percent of Huawei employees are knowledge-based employees, who pursue work-life balance, personal achievement, and autonomy. Meanwhile, the new generation of employees born in the 1990s began to occupy the labor market and prefer personalized and self-value realization. Furthermore, Huawei company always have its own unique management experience in motivation and most enterprises in the world learn and study successful management experiences from Huawei. Thus, Huawei case will be discussed in this chapter.

### **3.1. Reward management**

In order to gain an advantage in the talent team, from the beginning of the 1990s, Huawei gradually increased the employee salary. Comparing with the market average monthly salary of 1,000 yuan, Huawei equivalent position salary reached 5,000 yuan. This measure is a powerful incentive to attract and retain talents who equipped with knowledge, competence and attitude. According to Maslow's Hierarchy of needs, it satisfies new generation employees' needs in basic levels.

According to Huawei website (2021), Huawei company adopt an Employee Shareholding Scheme. No outside organization or government agency holds shares in Huawei, which is a private company wholly owned by its employees, involving 121,269 employees. Through the Union of Huawei Investment & Holding Co., Ltd., the company refer to Huawei employees are eligible to participate Employee Shareholding Scheme.

This decision need share responsibilities and risks, and form a community of interests with a shared future for enterprises and employees. Xiao et al. (2019) regard employee stock ownership plans as the main strategy, which can enhance the employee commitment and attract more talents to a large extend[13]. For knowledge employees, human resource management department need rely not only on short-term incentives, but also on ESOP and stock options. It can turn employee knowledge into capital by converting their knowledge into internal equity or external options[14].

### **3.2. Training and coaching**

Huawei established new staff training centers, customer training centers in 1997, and recruited training

specialists in various business departments. Subsequently, Huawei began having an eligibility management system from 1998. By 2005, Huawei had created Huawei University in Shenzhen, which had completed the germination, start-up, development and integration of the basic training system, and reached the final stage of promotion.

In addition, Huawei university and business departments have a clear division of labor in employee training. The pyramid model of Huawei employees development is divided into two talent development channels, such as management and professional talent development channel. They each have the corresponding process of "talent selection and retention" to lead personal growth and professional development of different kinds of talents. According to individual advantages, employees can choose different channels to conduct personal development, so that it satisfy employees' need in training and development to some extent.

The challenging goals for new generation employees can encourage them to work harder in the future work. Ray & Singh (2018) present that millennial graduate employees need get instant feedback from managers, coach planning is one of famous strategies in many organizations[15]. In order to fully stimulate employees potential, Huawei company have senior people who have experience in specific jobs to help new employees better understand the organization. For the sake of personal development, every person in Huawei has their exclusive mentor. It is a convenient way for new generation knowledge employees to better understand the job contents, position duties, organization culture and mission from experienced employees who are familiar with Huawei company. Furthermore, these experts, as professional coaches, can guide new employees and help adjust their goals in time according to current conditions.

### **3.3. Career development**

Huawei human resource management put forward that Huawei adopt special treatment for knowledge-based talents in promotion management. To attract and retain new generation talents in Huawei, companies attach importance to honoring and promising the development space for talents. Comparing with other generations, this generation employees prefer obtaining career development and sense of achievement. Fast-track promotion for new generation employees attracts, motivates and retains more high-tech talents. In fact, internally promotion for employees not only enhance commitment, but also save recruitment costs and time.

Huawei also realizes that organization should pay more attention on employees career planning, thereby,

Huawei management department set reasonable and scientific career planning for individuals to help new generation employees set specific career targets, and to motivate these employees in the right direction[16]. For new employees, challenging tasks and generous material incentives can maximum arouse their passion and spirit, which encourage them to achieve our own future career success to a large extend. For employees who work for three to six years, Huawei adopts a training and incentive strategy. Through different kinds of career motivation, Huawei promotes employees to become mature in the enterprise and gradually stabilize the staff, which not only meets the needs of employees, but also helps to achieve the goals of the organization.

### **3.4. Performance management**

Scientific and reasonable value evaluation system is an effective method to accurately evaluate the performance results of knowledge-based employees, rather than a vague evaluation of working attitude, ability and performance[17]. New generation knowledge workers have much higher demands for "fairness" than ordinary employees. For Huawei, it is particularly important to ensure the fairness of ongoing performance assessments. Therefore, enterprises should minimize mistakes when developing the performance appraisal system for the sake of fairness. At the same time, diversified performance appraisal standards should be formulated, and continuous feedback should be emphasized to maintain the sense of fairness of knowledge workers in the process of fair performance appraisal. At the beginning of each year, employee need to set performance goals, and then direct supervisors conduct the guidance based on the target[18]. In the middle of the year, the team conducts overall review, gives feedback and combines performance results with motivation mechanisms. After line managers collect all evaluation results from employees, each department shall make a vertical and horizontal comparison to obtain the evaluation results through multi-directional communication and feedback. In this way, the evaluation results are fairer, and the psychology of knowledge employees who pursue a high sense of fairness is more balanced.

## **4. CONCLUSION**

Huawei explores more in human resource management about how to truly motivate employees and create a harmonious and positive Internet culture. Through a series of motivation measures in reward management, training and development, career development and performance management, it attract and retain most talents in recent years. Enterprises need to build a healthy platform for knowledge employees, provide them with more innovation opportunities, fully mobilize new generation knowledge employees

potential, and pool the strength of knowledge employees.

Only when human resource incentive management is truly established, can enterprises form an effective mechanism of knowledge-based employees for improving the production efficiency and value creation ability of knowledge-based employees. In fact, Huawei company apply classical motivation theories to conduct the suitable motivation mechanism. However, every organization has its own specific conditions in management practices. Other companies need consider their unique situations and find the reasonable and appropriate approaches to motivate new generation employees. If motivation continue in the right way, knowledge will be transformed into efficiency, and human ability will be into resources.

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