

Analyzing the Role of Knowledge Workers: a Comparison between Peter Drucker's Vision and Current Reality

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ABSTRACT

This paper aims to analyze the role of knowledge workers, starting from Peter Drucker's initial definition of this concept and ending with a comparative analysis of the reality in today's companies. In the first part of the study, we present the essential characteristics of knowledge workers according to Drucker's vision. Next, we investigate the composition of staff in the top ten most profitable companies in 2023, verifying the existence of the professions categorized by Drucker as knowledge workers in the employee structure. We analyze whether the top position of these companies is also due to employees with these professions.

We also examine the organizational culture of these companies in order to assess whether and to what extent they value knowledge and the specific elements knowledge workers. In the last part of the research, we conduct a comparative analysis of the minimum/average wage in the countries where these companies are based and the wage offered to knowledge workers by these companies, in order to identify whether their wage level is above average.

Keywords: knowledge workers, organizational culture, pay, profitability

1. Introduction

In an increasingly globalized and digitized economy, which has changed the way we relate to our competitors, achieving goals and creating a competitive advantage requires tapping the full creative potential of the members of the organization. In this paper we explore how the creativity and knowledge possessed by a company's employees can contribute to its success. In doing so we will highlight the main contributions of one of the most influential management theorists, Peter Drucker, and highlight his key concepts and the impact they have had on contemporary management practice.

Since the 1950s, Drucker highlighted the value of knowledge workers and emphasized the importance and necessity of effective management of their intellectual resources, which he considered important for the success of organizations around the world. He emphasized the ability of these workers to use their knowledge and expertise to perform tasks, the fact that their efficiency was due to the continuous learning process and that harnessing their creativity could be a competitive advantage for a company. He also emphasized management effectiveness through the optimal use of resources and anticipated the increasing importance of these workers in the modern economy.

2. Theoretical background of Literature review- the rise of knowledge workers

With the advent of free markets and private ownership, the way in which knowledge has been perceived and valorized has experienced a transformation. It was initially considered as a resource that was privately owned by a small number of individuals, and the transformation was aimed at expanding ownership, thus becoming a public asset (Drucker, 1993, p.53).

Firms were no longer in a position where they had a monopoly on knowledge, and their effectiveness was given by their ability to transform this knowledge (which is accessible to all) into visible results that add economic value (Drucker, 2012, p.12). This is accomplished by the employees of an organization who have the ability to discern, select and then apply knowledge in a given situation. Knowledge only becomes valuable through its processing by the human mind which has the ability to transform and adapt it. In this way it is possible to distinguish between information contained between the pages of a book, which without human intervention remains unvalued, and that which benefits from the guidance of an employee's brain or hands. This transformation of information into competitive advantage is the result of the actions of a distinct group of employees, whom Drucker has called knowledge workers (Drucker, P. F., 1999, p. 79). He considered that this category of workers is part of an educated society, and that education is a capital investment on which the productivity of other capital investments depends (Drucker, 1954).

He paid special attention to knowledge workers, and he argued that, unlike the 20th century which was the century of productivity (due to a fifty-fold increase in the productivity of workers performing physical labor), the 21st century is the century of knowledge workers. Knowledge workers are those who, due to their higher qualifications, have accumulated a variety of information which, as a result of processing, they have transformed into knowledge, and as a result of applying this knowledge in different situations they have achieved a high level of expertise in their field of work. Their advantage also lies in the fact that they are passionate about the field they work in, they keep up to date with what is new in the field, as a result their value increases with each new piece of information they accumulate and apply. Thanks to their ability

to store and use knowledge, their creative capacity increases, so they can come up with innovative ideas. They are responsible with their time, energy and knowledge and are not in a position where they need constant supervision from a superior. In addition, they communicate well with colleagues, build close working relationships and are focused on finding solutions to problems. Consequently they become an important resource that can sustain an organization in the market competition, so we can say that the value of an organization is also represented by the totality of knowledge that is in the minds of its employees.

Table no.1

No.crt	Characteristics of a knowledge worker	What it shows in the organizational context
1	High level of expertise	High level of expertise in their specific field; their knowledge is specialized and supports them in solving complex problems and taking important decisions.
2	Qualification/education	The qualification is the result of an academic, scientifically recognized academic path, therefore their decisions have a recognized and time-tested basis and therefore have credibility
3	Constantly enriching their knowledge	They are passionate about the field they work in and keep up to date with what's new. As a result they can reformulate/reconfigure an idea according to the latest discoveries in their field.
4	Creativity and innovation	Thanks to their knowledge and creative organization, they are able to deliver new solutions to the challenges they face
5	Autonomy and responsibility	The positions they occupy give them a certain autonomy in their work and they are accountable for their own results; as a result they can be trusted to manage their own projects, set their own goals and evaluate themselves. They do not need the constant supervision of a boss, so they are not time and energy-consuming on the part of a line manager

6	Communication and collaboration	Working with information and knowledge often requires collaboration with other colleagues (clients), therefore communication and collaboration skills are an important element in a knowledge worker's portfolio. Assertive communication and teamwork are essential to achieve results.
7	Flexibility and adaptability	Technologies are constantly changing/upgrading, therefore knowledge workers need to be open to new things and willing to embrace change
8	Focus on problem solving	Much of their work involves solving complex problems and tackling new situations. Their analytical skills and ability to find effective solutions are therefore essential.

Source: author based on the works of Peter Drucker "Strategic Management" (2001), "The manager and the moron" (1967), Management (2008), "Management challenges for the 21st century" (2012)

Drucker considered that the emergence of knowledge workers will lead to the creation of a knowledge society, and its key resource will be knowledge (Drucker, P., 2018, p.37). At the same time, however, he categorized knowledge as a perishable "merchandise" (Drucker, P., 2001, p.93) and considered that it is not enough that once acquired, it does not guarantee continued success, it is necessary to constantly update and verify the measure to which it is applied in practice.

Drucker made an analysis of knowledge workers and considered that it is necessary to let them organize themselves in terms of work tasks, because when we deal with an element such as knowledge, it results in a qualitative aspect, not a quantitative one as in the case of manual work. The autonomy and freedom of mobility that these employees enjoy have the potential to lead to the emergence of new ideas, and it is therefore necessary to create the conditions in which they can realize their potential. These employees are characterized by the constant desire to learn new things and self-improvement, as a result an organization must remain attractive to keep them as the first choice so that they are not tempted to choose other opportunities (Drucker, P.,1999, p.84). Among the elements that drive the successful retention of knowledge workers are a work environment that provides opportunities for growth and development, organizational leadership that is trustworthy, well paid, and that they enjoy the freedom to self-organize their own work (Sutherland, M., Jordaan, W.,2004, p.59).

Due to their ability to organize themselves and to self-monitor and self-check their results Drucker called knowledge workers career professionals (Drucker P., Maciariell J.A., 1973, p.6). However, they do not have total autonomy, as they are in a dependent relationship with a superior, who sets the direction of work and expected results (Drucker P., 2012, p.20).

3. Research Methodology

Through this paper we aimed to analyze the role of knowledge workers, starting from how this concept was originally defined and ending with a comparative analysis of the reality in today's companies. To this end, we have presented a description of the aspects that characterize these workers, based on the vision of Peter Drucker, the originator of this concept (Table 1). Then we analyzed a top of the most profitable companies in the year 2023 (top made by "Forbes" magazine), in which we looked at whether the field in which they operate is one in which knowledge processing workers are dominant as a presence. We looked at the professions that Drucker placed in the knowledge workers category and analyzed whether the workforce of these companies included employees in these occupations. In this way we try to identify whether and to what extent the top position of the analyzed companies is also due to this category of personnel.

We further examined the organizational culture of these companies to identify whether and to what extent these companies value the elements that characterize a knowledge worker. Finally, we consulted official sources on the minimum/average wage in the countries where these companies are based in order to identify whether knowledge workers are better paid than the wages offered by these companies to their employees. In this way we want to confirm that knowledge workers are valued by the companies in which they work and that they are adequately remunerated.

4. Knowledge Workers vs. Traditional Workers: A Comparative Analysis

The distinction between typical workers who perform physical/manual labor and knowledge workers is the latter's ability to efficiency or even change working with their hands into working with their minds. However, even if we are talking about physical (manual) labor, Drucker appreciated that this also carries a great deal of knowledge. In addition, organizations are no longer in a position to ask themselves how to make physical workers more productive, this question now has other addressees, and those are knowledge workers. As a result, he opined that the prosperity and development of countries will increasingly be due to this specific group of workers, even though little is known about them at the year 2000, about the same amount as was known about manual laborers in 1900.

A comparison done by Drucker regarding the two groups of workers, categorizes workers who perform physical labor as a cost (hiring, qualification/ retraining), regardless of the profit the organization derives from them. At the opposite pole, knowledge workers are seen as an asset, who because of their ability to contribute to the creation and application of information, have the potential to create innovative ideas and solutions within organizations. He appreciated that in the post capitalist society there is a considerable separation between these two categories of employees, and that this leads to tensions (Drucker, P.,1993, p.67). He understood that in the knowledge-based economy the value of an organization is often determined by the knowledge, skills and creativity of its employees.

Early theories of employee motivation focused predominantly on financial rewards, believing that monetary rewards were the only levers in the hand of managers (Schein, 2010, p.172). But Drucker pointed to the need for a different approach in management to motivate and effectively utilize knowledge workers. Typical workers (physical labor) respond to financial rewards, they need a boss to give them directions and monitor them in meeting them, and because they do not invest in their education they are interested in the job remaining a constant in their lives. Workers who process knowledge instead, are motivated by an environment that gives them the opportunity to grow and develop professionally, are able to define and pursue their own goals, and appreciate the recognition of personal value and contribution to the success of the organization.

Figure no1. Motivational strategies for knowledge workers compared to traditional workers



Source: developed by the author based on Peter Drucker's concept

Drucker argued that because the economy is changing in terms of employment, the balances are beginning to tip in favor of knowledge workers over physical labor (Drucker, P., 1988, p.3). As a result of shifting the focus from physical labor to knowledge-processing workers, society has made a leap to what he calls a knowledge society, and the key resource will be this category of knowledge employees (Drucker, P., 2018, p.28) Their personal profiling is given by a number of qualities that include a high level of ethics, autonomy and cooperation, aspects that integrated, define a high level of intrinsic motivation, which leads to performing tasks in an innovative way, with professionalism and responsibility (Bieńkowska, A., Ignacek-Kuźnicka, B., 2019, p.57).

Drucker separated the concept of key resources into two elements and argued that organizations have only two of them, namely money and knowledge resources (Drucker, P., 2001, p.43). The difference between an efficient company and a loss-making one is precisely the possession of these two types of resources. With money a company can make investments in development and innovation, finance the expansion of company operations or allocate funds for marketing and advertising. The knowledge resources held by a company's professionals, along with their motivation, are maneuverable resources that, directed according to priorities, lead to the formation of a strong company. The ability of an organization to utilize this knowledge, to look at the employees as the subject of the action of accumulating it, is of great importance in this period when intellectual capital can place a firm at the top in the battle for a business partner (Kumta G., North K., 2018, p.7).

5. Research results

5.1. Contemporary View - The Role of Knowledge Workers in the Success of Top Companies

The number of occupations that were initially included in the knowledge workers category was quite limited and included doctors, lawyers, scientists and academics. Later, Drucker re-evaluated these occupations and diversified their number by adding other categories of staff, such as technicians, lab analysts, paralegals, and software designers (Greene, C., & Myerson, J., 2011, p. 20). His motivation in this approach was supported by the fact that it is not only the occupations initially established that rely on specialized knowledge and expertise. As a result, as the economy and society evolved, Drucker and other thinkers recognized that there are many other fields and professions that fall into this category. A classification by Thomas H. Davenport in 2005 categorized the fields in which knowledge workers work as management, business and financial operations, computers and mathematics, architecture and engineering, scientists, legal practitioners, health, community and social services, education, training and library arts, design, entertainment, sports, media.

In today's business world, the top companies are often those operating in areas where knowledge workers play a key role. These companies, have a significant presence in the economic landscape, and from this position have the privilege of setting and influencing the direction of trends across the industry. In order to identify the factors behind the performance achieved by these companies, we analyzed a top 10 list of the most profitable companies in the year 2023, with the idea of identifying whether their industries are dominated by knowledge workers and to what degree the success in those industries is also attributed to this category of personnel. To this end, we will investigate whether these industries are employing the kind of staff where skills and expertise can make the difference between a profitable company and a bankrupt one. Following this direction we have identified the categories of personnel working in these companies and made a comparison with the fields of activity/trades that Drucker and other researchers have labeled as knowledge workers. At the same time, we analysed the organizational culture of these companies to identify whether they value the elements that characterize this category of workers, by comparison with the aspects listed in Table 1.

Most profitable companies in 2023

Rank	Company name	Headquarters	Overall score	Sustainability rank	Employee satisfaction rank	Growth rate	Industry
1	Microsoft	United States	96.46	8	1	very high	IT, Electronics, Hardware & Equipment
2	Apple	United States	96.36	13	4	very high	IT, Electronics, Hardware & Equipment
3	Alphabet	United States	95.18	140	2	very high	Technology, Media & Services
4	Meta Platforms	United States	94.85	19	3	very high	Technology, Media & Services
5	Accenture	Ireland	94.43	1	9	very high	Professional Services
6	Pfizer	United States	93.75	132	24	very high	Chemicals, Drugs & Biotechnology
7	American Express	United States	92.46	57	19	very high	Banking & Financial Services
8	Electricite de France	France	92.40	111	79	very high	Utilities
9	BMW Group	Germany	91.95	124	26	very high	Automotive Industry & Suppliers
10	Dell Technologies	United States	91.59	109	8	very high	IT, Electronics, Hardware & Equipment

Source :Time Magazine <https://time.com/collection/worlds-best-companies-2023/>

Table no.2

No. crt	Company Name	Average wage in 2023/year	Knowledge workers	Organizational culture	Comments/comparison with Table 1
1	Microsoft	120.662\$	Engineering Product & Project Manager, Information Technology,	Microsoft’s culture is grounded in growth mindset. This means everyone is on a continuous journey to learn and grow, operating as one company instead of multiple siloed businesses	Qualification/education/ Constant enrichment of knowledge
2	Apple	94.118\$	Designers, scientists, construction, manufacturing, retail, customer support, marketing, hardware and software engineers	Deep expertise. Apple it is a company where experts lead experts. Willingness to collaboratively debate	High degree of expertise/ Communication and collaboration
3	Alphabet	129.554\$	Software Engineers, Artificial Intelligence and Machine Learning Specialists, Product Designers, Product Managers, Marketing and Communications Specialists/Sales and Customer Relations/Finance and Accounting, H.R.	Google’s (Alphabet’s) generic strategy for competitive advantage and strategies for intensive growth. structure and organizational culture in supporting excellence in innovation;	Constant enrichment of knowledge/ Creativity and innovation
4	Meta Platforms	149.718\$	Software Engineering(Senior Software Engineer, Senior Staff Software Engineer, Principle Engineer, Distinguished Engineer)	The core values establish the following characteristics of Facebook’s organizational culture:Creative problem-solving and decisionmaking,Boldness,Open nessSpeed,Continuous improvement	Focus on problem solving/ Creativity and innovation/ Constant improvement of knowledge
5	Accenture	99.860\$ <i>Enineering-70,000 /\$120,000</i>	Functional areas of expertise: Finance, Human Resources, Supply Chain Management, Customers, Marketing & Sales, Technology Strategy and Advisory, Talent & Organization	As part of our talent strategy, we hire and develop people who have different backgrounds, different perspectives, and different lived experiences. These differences ensure that we have and attract the cognitive diversity to deliver a variety of perspectives, observations, and insights which are essential to	Qualification /education/ Flexibility and adaptability/ Creativity and innovation

				drive the innovation needed to reinven	
6	Pfizer	62.670 /147.967\$	Engineering,Global operations. Information and business ,technology,Global procurement,Supply chain management,Quality assurance and control,Finance, Market research	Courage, excellence, equity, joy	High degree of expertise/ Communication and collaboration
7	American Expres	86.421\$	Sales & Relationship,Managem ent. Build rewarding customer relationships with the powerful backing of an iconic brand,Analytics & Risk Management. Unleash your analytical skills to define the future of how we serve our customers,Customer Service. Marketing,Product,Fin ance. Technology,Travel & Lifestyle Customer Servic	Collaboration, customer, diversity, integrity, execution, innovation, performace, respect	Communication and collaboration/ High degree of expertise/ Communication and collaboration
8	Electricite de France	71.568 \$(35.5\$/h)	Energy storage engineering, softwre engineering,project engineering, Accounting/Finace, business development, management, Techician	Teamwork, accountability,respect, transparacy, good sense, passion; Advance,Connect Grow,	Communication and collaboration/ Flexibility and adaptability/Auto nomy and responsibility/ Constant enrichment of knowledge
9	BMW Group	90.696 technician/ 111.747 car sales executive	Design engineering, development engineering, manufacturing engineering, quality engineering, project engineering	Fun, challenging, higt-performace, sociable. BMW's business culture promotes a fun and challenging work environment where employees are motivated to achieve high performance.	High degree of expertise/ Communication and collaboration/ Constant enrichment of knowledge
10	Dell	59.326/ 159.457 \$	Account Manager,Customer Service	Winning Together: We believe in and value our people. As a team, we perform better, are	Communication and collaboration /Creativity and

			Representative,Project Manager, Inside Sales Representative,Sales Representative,technical Support	smarter and have more fun getting the job done. Innovation: We believe our ability to innovate and cultivate breakthrough thinking is an engine for growth, success and progress. Results: We believe in being accountable to an exceptional standard of excellence and performance. Integrity: We believe integrity must always govern our fierce desire to win.	innovation/ Constant enrichment of knowledge/
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Source :prepared by author

5.2. Financial compensation of knowledge workers - Comparative analysis

In a knowledge-oriented work environment, employees should be considered and treated as valuable resources or investments, not simple costs. Even though salary is an expense for an organization, the financial benefits derived from the work of knowledge workers cover and outweigh these expenses. A company that values the knowledge held by its employees will also seek to financially reward the work of its knowledge workers. In this regard, we draw attention to a comparison between the minimum/average wage of workers in the companies analyzed in Table 2 and the average wage in 2023 in their home countries, to confirm that this category of staff is paid more (Davenport, 2005, p.4).

Table no.3

No.crt	The country	Minimum wage 2023	Average salary/month 2023	The average salary offered by companies - top 10
1	S.UA	1.218 \$ (7,25 \$/h)	4.948 \$	see column 3 of table 2
2	Ireland	1.910 E/lună	5.594 E (33,3 E/h)	8.321 E
3	Franța	1.709 E/lună	4.821 E (28,7E/h)	5.964 E
4	Germania	1.981 E/lună	5.308 (31,6E/h)	7.558 E

Source :Eurofound <https://www.eurofound.europa.eu/ro/publications/2023/salariile-minime-2023-revizuire-anuala>, <https://www.visualcapitalist.com/average-wages-across-europe-map/>

6. Discussion:

In the fourth column of Table no.2, it can be observed that in all the 10 companies analyzed, the employees have professions that classify as knowledge workers, namely: engineers working in various fields, sales personnel, personnel specialized in customer relations, analysts, etc.. Also, in their organizational culture there are elements that characterize a worker who processes knowledge (comparison with table no. 1): they emphasize the development of staff through education and the increase of professional expertise, they value communication and collaboration between members teams, are focused on solving problems and are interested in a staff that has the ability to be flexible and adaptable.

According to Drucker effective management emphasizes the optimal use of all types of resources available to the organization. Knowledge workers are part of the human resource construct, and the fact that these 10 companies in the study are among the top 10 most profitable companies shows that they are making effective use of their human capital. A parallel between the elements that define knowledge workers and the Management by Objectives (MBO) concept developed by Drucker reveals common aspects such as the clear setting of objectives (a knowledge worker has a high degree of autonomy in setting them - point 5 in table 1.), employee participation (a knowledge worker is involved in the activity and improves it with new ideas - point 5 +8 in tab.1), monitoring progress (a knowledge worker self-monitors and holds himself/herself accountable for his/her work), performance evaluation (a knowledge worker measures his/her own results - pt.5 in tab.1), personal and professional development (a knowledge worker is interested in improving his/her knowledge and invests in his/her continuing education - pt.2+3 in table no.1). At the same time, a comparison with column no. 6 in table no. 2 reveals that these top companies apply the concept of MBO, value workers who process skills and encourage them through the policy to promote them to develop professionally so to establish, track and verify the results of their work themselves.

Table no. 3 also shows that the minimum/average salary in 2023 in the countries where the top 10 most profitable companies reside is lower than the minimum/average salary offered by these companies to their employees. This is because the vast majority of these companies are based in the US which, according to Hofstede has an individualistic culture where the emphasis is on competition and competition. We conclude that these organizations are aware of the value that their employees bring, as a result they reward them with salaries that exceed the average salary level.

7. Conclusions:

In this paper, we set out to analyze the role of a specific category of personnel, who, due to their ability to process knowledge, received the name of knowledge workers. We started by analyzing the elements that qualify a worker as a knowledge worker, starting from the characteristics that Peter Drucker had in mind when he created this concept (table 1). Then we sought to identify to what extent their skills can contribute to the success of an organization. In this sense, we analyzed a top ten of the most profitable companies and analyzed their personnel structure to determine if in their organizational chart there are those jobs that Drucker categorized as belonging to knowledge workers. Then we inspected their organizational culture, by comparison with the aspects that characterize a knowledge worker (table 1), with the aim of evaluating whether these companies value these specific elements of a knowledge worker. The research continued with a comparative analysis of the minimum/average salary in the countries where these companies have headquarters and the salary offered by these companies to its employees.

As a result of our analysis, it turned out that in the personnel structure of the first ten most profitable companies in 2023, there are predominantly professions that Drucker labeled as belonging to the concept of knowledge workers. Also, these companies value the elements that characterize a knowledge worker, by introducing these elements into their organizational culture. Comparing the salary of this group of staff with the average salary in the countries where these companies have their headquarters highlighted the fact that knowledge workers' remuneration is higher than the average salary in these countries.

We conclude that the success of these organizations is also due to the contribution of the qualified staff at their disposal - staff who process knowledge - and the fact that these companies are aware of the added value that employees with a high degree of expertise bring. This is also reflected in the salary level that these companies offer to this specific category of personnel.

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