

The Chinese Reconstruction of the Two-Factor Theory: A Grounded Study of Incentive Factors in the Pharmaceutical Industry

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Abstract: Against the backdrop of frequent policy fluctuations and the continuous tightening of compliance boundaries, the explanatory power of the classic two-factor theory in China's pharmaceutical market is limited. From the methodological perspective of grounded research, this paper proposes a new two-dimensional model of "policy adaptive rewards" for health care and incentives, and further constructs a dual-driven framework of "policy and culture": defining the ability to interpret policies as the core of health care factors and the exposure to academic conferences as the key of incentive factors; At the same time, the "dynamic incentive combinator" is proposed, that is, during the period of change, the focus is on the construction of psychological capital, and during the stable period, the focus is on the innovation of the dividend sharing mechanism. The research provides operational variables and mechanism paths for the localization of the incentive system of medical organizations, and puts forward several testable theoretical propositions and measurement suggestions.

Keywords: Two-factor Theory Policy adaptive rewards Volume-based procurement Policy interpretation ability; Exposure at academic conferences Dual drive of policy and culture; Psychological capital Sharing of innovation dividends

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1. Introduction

Institutional ambiguity, compliance boundaries and professional belonging have a significant compound effect on the work motivation of employees in the pharmaceutical industry. Based on the classic two-factor theoretical model, incentive elements are the core elements in preventing employee dissatisfaction, promoting the growth of employee satisfaction. Against the backdrop of frequent policy shocks, the boundary between health care and incentives is undergoing a shift and redefinition. Driven by institutional designs such as volume-based procurement, the formation patterns of professional reputation, identity and job performance have undergone significant changes. This study, supported by grounded research methods and starting from the actual context of the pharmaceutical industry, conducts localized reconstruction of incentive elements, striving to shape an incentive framework and theoretical assertion closely integrated with the specific industry environment and policy background. To build an empirical foundation and operational reference for subsequent management practice and theoretical research.

2. The Explanatory Dilemma and Rooting Perspective of the Classic Two-Factor Theory in the Chinese Pharmaceutical Market

2.1. Contextual Dislocation: The fluidity of the boundary between health care and motivation

Under the current backdrop of frequent policy introduction and a highly dynamic institutional environment, traditional health care elements (such as salary, working environment, and basic support) are no longer merely negative conditions for “preventing dissatisfaction”. Their absence directly weakens the professional effectiveness foundation of medical practitioners and shakes their organizational affiliation and emotional dependence. Under strict compliance requirements, traditional incentive elements (such as bonuses, promotions, and honors) no longer rely solely on material rewards as the driving force for behavior. Instead, they should be replaced by academic authority, professional discourse power, and industry recognition. This dynamic flow of the boundary between health care and motivation reverses the existing separation mechanism of the two functions in Herzberg’s original model, and the generation mechanism of satisfaction and performance has become increasingly dependent on the integration of compliance, academic and professional identities.

2.2. Industry Characteristics: Compliance as the foundation, academia as the core, and culture as the field

The diverse professional roles in the pharmaceutical industry, including medical representatives, medical liaison officers (MSLS), market access specialists, and medical affairs experts, jointly form an interconnected structure centered on academic exchange and empirical dissemination ^[1]. Under non-institutional constraints, the foundation of behavioral norms lies in strictly adhering to laws and ethics in business execution. Academic achievements are a solid backing for industry discourse power and professional credibility. Organizations and social cultures jointly build meaning resources and interpersonal cohesion, strengthening members’ sense of identity and psychological sense of belonging. The superimposition of these three major elements reveals a multi-layered nested and mutually supportive framework in the motivation structure of practitioners. The incentive mechanism needs to take into account the triple constraints of systems, knowledge, and relationships.

2.3. Grounded Research Approach and Framework

This work adopts a grounded research approach at the theoretical construction level, striving to reshape the localized interpretation framework of the “two-factor theory” based on practical experience. It explores the subjective meaning construction path for medical practitioners in response to policy changes, examines its role positioning in the academic circle, and examines the strategic implementation of organizations in optimizing incentive mechanisms. Open coding technology is adopted to identify core elements, and the interrelationships among concepts are analyzed through main axis coding. The core category of “policy adaptive rewards” is refined, and the dynamic interaction patterns among policy, compliance and incentives are analyzed. The research absorbed existing theoretical models and hypotheses, and also focused on the practicality of concepts and the empirical nature of mechanisms, laying a theoretical foundation for subsequent quantitative analysis and practical application.

3. Two-dimensional Model of Health Care - Incentives for Policy Adaptive Rewards

3.1. Reinterpretation of Health Care Factors in China: Policy Interpretation Capacity as a “Stabilizer of the Lower Boundary”

Pharmaceutical practitioners should possess the core ability to respond to frequent policy changes, quickly grasp the key points of policies, proactively predict the boundaries of risks, and transform institutional principles into actual implementation processes. This ability reflects the hallmark of compliance literacy. At the same time, by leveraging information insight, cross-departmental collaboration, and the internal knowledge integration system of the organization, the anxiety, frustration, and turnover tendencies caused by policy changes have been effectively alleviated, ensuring

psychological stability ^[2]. At the organizational operation level, policy interpretation ability can reduce process conflicts, lower operational error rates, clarify responsibilities and divisions of labor, and improve resource utilization. This capability fulfills the bottom support function of health care factors in the two-factor theory, that is, by stabilizing the satisfaction of basic work, it builds a solid backing for performance and innovation, and is a reinterpretation and redefinition of traditional health care factors in the Chinese medical field.

3.2. Re-calibration of Incentive Factors: Academic Conference Exposure as an “Upper Bound Extender”

Academic conference exposure is a core manifestation of incentives in the pharmaceutical industry, emphasizing the visibility of practitioners’ professional activities in a compliant environment, covering aspects such as topic presentation, poster presentation, oral presentation, cross-institutional collaboration, and citation of achievements. Its incentive value is mainly reflected in three aspects: presenting research achievements and professional capabilities, directly demonstrating its academic reputation and industry status, and enhancing professional honor and a sense of identity belonging. Participate in academic exchanges, broaden knowledge networks and resource channels, and expand cross-departmental cooperation space to build a ladder for future career development; Innovative achievements are seamlessly integrated with career development paths, and scientific research results are directly transformed into career resources. “Academic recognition, public awareness and career promotion form a core incentive chain”, creating a key “boundary expansion structure” that stimulates employees’ enthusiasm and innovation, and enhancing the explanatory power of traditional incentive factors in the Chinese pharmaceutical field.

3.3. Dynamic Incentive Combinator: Weight switching between clockwise and counterclockwise cycles

In a highly volatile institutional and policy environment, organizations should follow the cyclical characteristics and flexibly adjust the proportion of the incentive mix. Place the construction of psychological capital at the core. By setting goals, reviewing processes and peer assistance, enhance employees’ hope, optimism, resilience and self-efficacy, and improve their coping skills in uncertain situations, as well as their ability to maintain work vitality and environmental adaptability. During the stable period, the focus should be on sharing the benefits of innovation, gathering the added value of research collaboration, empirical data output and process innovation. Reward methods such as project benefit division, co-signature honors and job promotion channels should be implemented. Through weight adjustment, the synchronous adaptation of pro-cyclical and counter-cyclical aspects can be achieved. Ensuring that the incentive mechanism maintains basic satisfaction in various scenarios, it also promotes performance improvement and innovation drive, thereby achieving a dynamic integration model of health care and incentive elements.

3.4. “Policy-Culture” dual-driven Model: Mechanism Path

The “dual-track parallel model of policy and culture” emphasizes the prominence of its synergy and interactive effects, such as uncertainties, resource reallocation, and changes in job boundaries, which are triggered by institutional fluctuations and then affect employees’ task pressure and scope of responsibilities. The core position of policy interpretation ability in health care factors has significantly improved, endowing individuals with psychological stability and operational predictability in uncertain circumstances ^[3]. The formation of employees’ value orientation is closely related to the organization and social culture, particularly highlighting academic glory and public prominence, thereby enhancing the driving force of meeting exposure. This path, at the team level, achieves integration through shared scripts and behavioral norms, converges motivational attribution with value recognition, and constructs a driving framework that aligns both policy and culture. It also builds a theoretical framework and implementation path for the localization transformation of the medical incentive system.

4. Rooted Categories and Propositions: From Coding to Model Integration

4.1. Core Scope: Policy Adaptive rewards

Against the backdrop of a highly institutionalized and frequently policy-driven pharmaceutical industry, the design of the incentive system should strictly control compliance to ensure that all behaviors and reward mechanisms comply with laws, industry norms, and internal management requirements. Under this premise, by incorporating policy comprehension and transformation skills into the incentive system, the organization not only focuses on the daily task performance of employees but also highlights the forward-looking perspective and strategic capabilities in responding to policy changes^[4]. This ability involves the skills of quickly understanding policy texts, judging risk boundaries, and transforming abstract systems into operational processes, forming a key barrier for employees to deal with uncertainties and effectively alleviating work anxiety and psychological stress. By incorporating this ability into the framework of the incentive dimension, organizations can provide solid psychological safety and predictability at the individual level, build a foundation of individual psychological safety and expectations, and resist the shock waves of institutional fluctuations on job satisfaction.

The organizational incentive system adopts academic visibility as a key indicator, providing employees with direct rewards for achieving professional status and reputation on the basis of adhering to norms. For instance, academic gatherings, opportunities to share academic insights, facilitate interaction among institutions, and receive citations from peers have significantly enhanced employees' sense of professional belonging and career honor, expanded their knowledge networks and resource access, and paved the way for the production of innovative achievements and career development. Integrate this dimension into the incentive structure to inspire employees to voluntarily pursue academic achievements, innovative projects and cross-team collaboration motivation, thereby building a ladder for enhancing motivation. By integrating policy understanding, academic reputation and incentive structure in parallel, a dual-track development system of "stability and growth" for employees has been formed. In the unstable situation of policy changes, employees can achieve psychological and operational stability by relying on policy analysis and process adaptation skills. They can also advance and expand their careers by taking advantage of the explicit features of academic achievements. This dual-track incentive model effectively combines the two major elements of health care and incentives, providing dual theoretical and practical references for the characteristic development of the medical and pharmaceutical incentive system in China. Constrained by the triple norms of compliance, academia and culture, it achieves precise and dynamic optimization of incentives.

4.2. Mechanism of Action: The interaction between policy volatility and cultural embeddedness

In the face of the situation where policies in the pharmaceutical industry fluctuate sharply, the importance of policy interpretation ability has significantly increased. When institutional adjustments are frequent, regulatory requirements become more complex and uncertainties increase significantly, policy interpretation, risk assessment and the adaptability of implementation processes are significantly associated with job satisfaction and performance. Those with strong policy insight can predict risks, avoid operational mistakes, and maintain psychological composure in complex situations. This ability significantly reduces anxiety and frustration caused by uncertainty, and also achieves the expected alignment between employees' job functions and organizational goals, thereby playing a reinforcing role at the health factor level. The policy interpretation power significantly enhances the organization's flexibility in responding to institutional changes, provides stable psychological and operational support for employees, and steadily improves employee satisfaction and work performance levels.

At a stage where the internalization of organizational culture is relatively high, the exposure and incentive effect of academic conferences is significantly magnified, and the values, behavioral norms and professional identities of employees are closely integrated with the organizational and industry cultures. In this specific context, the conference has opened up a display space for professional achievements, and can further strengthen intrinsic motivation, stimulating employees' lasting drive for innovation, academic research and teamwork. Academic influence has become the core approach for career

development, reputation accumulation and resource acquisition. Cultural consensus amplifies the effect of incentives. In both career and academic pursuits, employees experience lasting psychological satisfaction and achievement. The ability to interpret policies and the exposure at meetings interpenetrate each other to jointly determine the marginal benefit boundary of incentive distribution. In a context of significant policy fluctuations and high cultural embedding, simultaneously increasing resource input can trigger a synergy effect, enabling employees to remain stable in an uncertain environment while also achieving academic and professional advancement. In the construction of an incentive system, organizations should adjust the proportion of health care and incentive elements in a timely manner and pursue a dual optimization path of integrating systems and cultures.

4.3. Proposition Set

Proposition 1: Policy interpretation skills are positively correlated with job satisfaction, and this correlation becomes increasingly significant as policy uncertainty increases.

Proposition 2: The exposure of academic conferences has a positive relationship with intrinsic motivation, and the intensity of this relationship increases directly with the organization's recognition of academic value.

Proposition 3: Policy understanding alleviates role confusion and compliance concerns, indirectly enhancing performance outcomes and employee retention motivation.

Proposition 4: Enhanced exposure of the conference, relying on professional identity and community belonging, indirectly promotes knowledge dissemination and interdepartmental interaction.

Proposition 5: Psychological capital plays a core bridging role between policy interpretation and working conditions. The sharing of innovation dividends serves as a key bridge between the exposure of a meeting and its performance.

Proposition 6: The intensity of the dual drive of "policy and culture" at the organizational level has increased, and the efficiency allocation has been significantly upgraded.

4.4. Measurement and Verification Suggestions

In terms of quantitative research on policy interpretation capabilities, operational construction can be implemented from multiple perspectives. The level of understanding of institutional texts serves as the core evaluation dimension, assessing employees' precise grasp and in-depth insight into policy provisions and institutional norms. Employees need to have a keen ability to identify and anticipate potential violation risks, and demonstrate risk-avoidance skills in a complex institutional context. Explore the conversion effect of employees transforming policy content into actual implementation processes, operation guidelines or internal regulations. A comprehensive examination of these dimensions can fully reveal an individual's specific performance in policy interpretation ability, providing a reliable assessment method for subsequent research on its maintenance effect on job satisfaction and performance.

When designing indicators for the exposure of academic conferences, it is necessary to examine their incentive functions from multiple dimensions. The depth of participation reflects the degree of employee engagement in academic activities, including the quality of participation in conference discussions, paper presentations, or professional exchanges. The exposure frequency of employees in the meeting discussion report is displayed, depicting the exposure situation of academic achievements. Cross-institutional connectivity focuses on the external interpersonal networks and resource exchange capabilities that employees build through academic exchanges. It also significantly enhances personal prestige levels and promotes innovative collaboration and career growth paths^[5]. By means of indicator construction, the effect of incentive factors in different cultural embedding degree environments can be quantified more accurately. In terms of research design, multi-layer model technology is adopted to clearly define the boundaries between individual and team effects and block the sources of confusion caused by hierarchical effects. The event analysis method is adopted to define the specific time range of policy effects and explore the timely feedback of policy adjustments on employee behavior and incentive effects. Within the dynamic incentive combinator, the periodic adjustment effect of health care and incentive weights can be empirically verified through longitudinal tracking methods to examine the interactive relationship between

policy interpretation ability and academic conference exposure in the context of multicultural systems. The empirical and theoretical verification promotes the dynamic adjustment of the medical incentive system.

5. Summary

Based on the grounded research methodology, this paper constructs a dual-dimensional model of “policy-adaptive rewards” for health care and incentives, taking the “policy-culture” dual drive as the integration blueprint, and re-examines the applicability boundaries of the two-factor theory in the pharmaceutical industry. Among health care factors, the ability to interpret policies serves as a bottom stabilizer, while exposure at academic conferences acts as a catalyst for the extreme expansion of incentive factors. From this perspective, the dynamic incentive combinator realizes the transition of weights during the period of change and stability. This reconstruction directly confronts the challenging situation of policy fluctuations and also establishes verifiable propositions and evaluation paths, constructing a theoretical framework and operational guidelines for motivation stimulation and performance improvement under the compliance orientation for pharmaceutical organizations.

Disclosure statement

The author declares no conflict of interest.

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