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The settlement of motivation mechanisms within a Swedish multinational corporation

A case study on Husqvarna and Truck Co

International Business II, Bachelor Thesis

Spring 2011

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Abstract

It has been stated that the human capital is the main contributor to a company's success. Therefore, it can be argued that it is of great importance for a company to have knowledge of the behavior, attitudes and preferences of its employees. Due to globalization and the creation of multinational corporations seeking opportunities to succeed outside their national borders, people of different cultural backgrounds interact to a greater extent than ever before. Companies operating in an international context might face a challenge when it comes to handling employees with different national backgrounds. Since people of different national cultures with different perceptions of value are driven by different factors, this study aims to investigate how national cultural differences are taken into consideration when motivation mechanisms are settled within a Swedish multinational company. This will be done by looking into the Human Resource practices of two Swedish corporations operating on a global scale.

The results of this examination illustrate that the investigated companies acknowledge national cultural impacts and the effect that these have on people's perception of value. However, the empirical findings indicate that national cultural impacts are not fully taken into consideration when motivation mechanisms are developed and implemented in practice due to the fact that other elements such as corporate values seem to be of greater importance. Hence, the authors have come to conclude that national culture is an important aspect but not the sole determinant when settling motivation mechanisms in a global level.

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1. Introduction

In the following chapter, a description of the problem area and the purpose of the study will be introduced to the reader. Further, the authors will present the research questions upon which this study is based.

1.1 Problem area

The rapid development towards globalization has resulted in the establishment of multinational companies, seeking opportunities to expand their current activities in order to remain competitive as well as to reach new profitable markets and gain knowledge which may lead to future success (Hill, 2008). Being present in different markets may contribute to several advantages for global corporations. However, new environments may also constitute a challenge. In order to cope with new environments, a firm must acknowledge the importance of national cultural differences and how these influence the behavior of individuals (Hill, 2008).

It is argued that the most important contributing factor to a firm's success is the human capital. This has to do with to what extent employees are dedicated and motivated to perform in order to achieve established objectives (Adler, 1991). Motivation arises from several factors which influence an individual and his/her attitude and behavior in different situations. These factors can be external ones, such as appealing incentives (The Oxford Dictionary of Sports Science & Medicine, 2011a), as well as internal factors, that is a desire or an expectation of the outcome of a specific action (The Oxford Dictionary of Sports Science & Medicine, 2011b).

Several studies, including Hofstede's study on cultural dimensions (1980), have discovered that national culture influences what motivates an individual. The concept of culture is considered to be a complex multi-level construct which is more or less stable and formed over a relatively long period of time. Furthermore, it is shared among individuals belonging to a specific group (Taras, Rowney & Steel, 2009). Since culture is determined by a country's religion, political philosophy, economic philosophy, education, language and social structure

(Hill, 2008), national culture is one of the ground pillars of a country's value and norm system. As motivation itself stems from what is perceived as valuable for an individual, national culture might be of great value for companies when developing motivation mechanisms.

Based on the reasoning above, a corporation has to use several means to create and maintain motivation among employees. This becomes even more crucial when operating in an international environment where human capital of different nationalities frequently moves across borders (Fey, 2005).

Research which relatively recently has been conducted within the area of motivation and national culture, highlights the importance of having an understanding of what motivates people in order to develop suitable motivation mechanisms (Fey, 2005). In addition, these motivation mechanisms can be of different types, including monetary as well as non-monetary incentives which vary in terms of effectiveness and appropriateness (Ballentine, McKenzie, Wysocki & Kepner, 2003). Monetary incentives consist of for example bonuses, paid vacation and profit sharing. Their role is to reward good performance and stimulate people to further commit to different tasks. Non-monetary incentives have the same role as monetary but contain compensation in terms of flexible work hours, a satisfying work environment and the opportunity to take a year off among others (Ballentine, McKenzie, Wysocki & Kepner, 2003). Research conducted within the area of incentive systems shows that the effectiveness of these types varies depending on national context. A study made by Schuler & Rogovsky (1998), based on Hofstede's national cultural dimensions, supports the assumption that while non-monetary incentives can be used as an effective tool of motivation in one country, they might not work as effectively in another due to different national cultural characteristics.

Based on the discussion above, it could be argued that employees within a multinational company are motivated by different factors. This might be due to their differing national cultural backgrounds and their differing perceptions of value which might be influenced by cultural values. National culture is assumed to influence an individual's behavior and attitudes (Hill, 2008) which could affect the level of motivation. Since motivation in its turn might affect the level of performance, the authors would find it interesting to investigate whether Swedish multinational companies take national culture into consideration when motivating their employees.

1.2 Research question

The research question is stated as follows:

- *How are national cultural differences taken into consideration when motivation mechanisms within a Swedish multinational company are settled?*

In order to be able to fully examine the subject, a set of subordinate questions need to be answered. These include the questions of:

- *How are motivation mechanisms developed within a Swedish multinational company?*
- *Are motivation mechanisms within a Swedish multinational company settled with regard to local adaptation or global standardization?*

1.3 The purpose of the study

The purpose of this study is to provide answers to the research questions by comparing earlier theory within the area of interest with the Human Resource (HR) practices of two Swedish multinational companies. The authors aim at highlighting the importance of taking national cultural impacts into consideration when motivating employees in multinational corporations.

1.4 Limitation

National culture might affect a whole range of HR practices within a multinational company. The scope of this study will be limited to the investigation of how national culture affects the settlement of motivation mechanisms within two multinational companies of the same country of origin. The study is based upon the investigation of to what extent the HR representatives of their respective company perceive that national culture is acknowledged within their organizations. Hence the examination will not depict to what extent the employees perceive that their managers take the aspect of national culture into consideration in practice.

2. Methodology

In this chapter, the choice of research method as well as a brief description of the examined case companies from which the empirical findings are conducted will be presented. In addition, the estimated validity, reliability and critique of this study will be discussed.

2.1 Research Process

This study is based upon the authors' belief that the national cultural background of employees affects how they perceive different motivation mechanisms. An interest in examining if this hypothesis was accurate aroused. In order to obtain relevant data to evaluate this issue, the authors started to look into earlier research conducted within the area of motivation linked to national culture. After having developed a theoretical framework as a foundation for testing the hypothesis, the authors decided to investigate how multinational companies handle international HR issues in practice by interviewing HR representatives.

Due to the limited area of examination, a method approaching a deductive study was found to be the most suitable for this study. This method explores if hypothesis developed on the basis of a theoretical framework are valid by investigating reality in order to depict if theory is applicable on practice (Reinecker & Jørgensen, 2002).

Several e-mails were sent out to the HR departments of Swedish companies operating internationally in which the authors presented the purpose of this study and asked whether it would be possible to do an interview with somebody with knowledge of the area. The authors chose not to focus on companies of any specific industry, the main requirement was that the corporations would be globally present. A convenience sampling (Merriam, 1994) was done due to that the companies Husqvarna and Truck Co¹ were the sole multinational corporations which could offer the authors an interview with an HR representative who could provide relevant information needed in order to explore the area.

¹ Truck Co and its HR-representative Anne Anderson are fictive names

2.2 Case study

This examination is based upon the case studies of the Swedish companies Husqvarna and Truck Co. A case study is a proper method when investigating a specific phenomenon, hence it can provide insight into the practices of specific situations. Further, a case study is suitable for studying the development of an explicit area of interest. Due to the fact this study is a multiple case study, it provides an opportunity for making analytical generalizations based on the results obtained (Yin, 2007). However, statistical generalizations cannot be made from the results obtained from a study of non-quantifiable character (Merriam, 1994). The examination was based upon a small population, thus the area of investigation is neither complete nor static, supporting the decision of using the qualitative method. In addition the authors interpreted the obtained results from the case studies from the perspective of the interviewees, which is in accordance with sampling data from a minor population, thus trying to capture and interpret the opinion of selected individuals. Case studies often result in conflicts regarding method requirements, meaning that one cannot obtain complete, adequate information (Wallén, 1996). These case study examples can therefore illustrate what practices regarding work motivation may look like for companies operating in a global environment.

A descriptive study answers the questions of what, who and when and explains how things are (Yin, 1984). This study approaches a descriptive study but has as well interpretative characteristics. The authors found this type of study to be adequate, since the purpose of the examination was to answer the question of *how* national cultural differences are taken into consideration when motivation mechanisms within a multinational company are settled. Furthermore, the sub questions of *how* a motivation mechanisms are developed within a multinational company and whether motivation mechanisms are settled with regard to local adaptation or global standardization, position this study as descriptive.

2.3 Case descriptions

2.3.1 Husqvarna

In 1689, Husqvarna was founded as a weapons foundry with the purpose to supply the Swedish armed forces with weapons. Over the years, Husqvarna has changed course and added various products to its portfolio, ranging from sewing machines to lawn mowers (Husqvarna, 2011a). In recent years, the company has through acquisitions grown to become a global leader within its industry, providing commodities such as riders, lawn mowers, handheld products, irrigation products and accessories (Husqvarna, 2011b). Husqvarna has

acknowledged the fact that the company operates within a global business area characterized by season variations and fluctuations, and that it is crucial to take advantage of a flexible production system in order to create competitive advantages and to maintain a position as a global leader within the industry (Husqvarna, 2011b).

2.3.2 Truck Co

Truck Co was founded in Sweden in the beginning of the 20th century. The company started out as a local manufacturer of motor vehicles and has now grown to become an international player within the transport equipment industry. The company has about 100 000 employees worldwide, international divisions in all of the world's continents and its products can be found in 200 countries.

2.4 Data collection

2.4.1 Secondary Data

Secondary data was obtained from the respective websites of each case company as well as from electronic dictionaries. This information was used in order to get an overview of the companies which were about to be examined as well as to obtain accurate definitions and implications of terms which were to be discussed in the study.

2.4.2 Primary Data

Primary data was obtained through interviews with an HR representative of each company. The overall advantage of using an interview as a method is that it provides the specific information sought by the interviewers.

The authors contacted a person through the website of Husqvarna who provided contact information to Patrik Bengtsson², one of the persons involved in the HR processes at the company who agreed to do a telephone interview. Patrik Bengtsson is responsible for Talent Management which involves performance control, leadership development as well as employee evaluation and communication. Further, he is globally responsible for Husqvarna's HR processes. Thus, the authors found Patrik Bengtsson to be a suitable interviewee for this case study.

A personal acquaintance provided contact information to Anne Anderson at Truck Co. Anderson works as group manager at the spare parts division of Truck Co, where she leads

² The name of Husqvarna's HR-representative, Patrik Bengtsson, is a fictive name

and delegates the work within her group. Her group is operating in three different countries, thus she has a deep insight in international HR management as well as experience from working with people of different nationalities. Further, she has good knowledge of the area of motivation since she also works as a motivation coach, holding seminars about motivation. The interview with Anderson was also done by telephone.

A semi-structured interview is based upon a few questions regarding subjects which are to be investigated where neither the exact formulation, nor the exact order of the questions are determined in advance. This type of structure gives the interviewer the opportunity to adapt the interview to the respondent and the situation. (Merriam, 1994) A semi-structured interview consisting of relatively few but all-embracing questions concerning the area of investigation was therefore found to be suitable for this study.

The design of the questions for the interview stemmed from the main question of the study as well as from the accompanied sub questions. The questions were then reformulated in order for them to be of less academic character, partly to give the respondents a good opportunity to express themselves more freely, partly to avoid the risk that the respondents would provide the authors with answers based primarily on established theories. In addition, the opening questions were by purpose developed to be of more general character in which the respondents were given the opportunity to introduce themselves and their respective position at the companies. These questions were posed in order to create a sense of trust as well as to make the interviewee feel more comfortable.

Further, the interview was developed to be relatively focused in order for the authors to obtain the best answers possible and to ensure that the conversation remained in line with the precise area of investigation. This is due to that a focused interview is often more explicit which facilitates the process of analysis for the interviewer. Further, the interview guide was developed in order for the duration of the interview not to exceed 60 minutes (Yin, 2007). This was done by purpose in order to maintain focus thus obtaining the clearest responses possible. The interviews were recorded in consent with the respondents in order to assure that no information went missing. As a complement, two out of three interviewers took notes during the conversation. Immediately after the interview, the authors had a discussion regarding the interview to ensure that the interpretation of the obtained answers was correct.

Thereafter, a transcription was done in order to assure that all facts of relevance were to be included as well as to be able to reproduce the information correctly. (Gillham, 2008)

For this study, telephone interviews were chosen due to the distance to the companies' headquarters and the relatively short time-span of the study. The authors found this type of interview to be more suitable than for example sending the questions by e-mail which would be less personal and could easily lead to misinterpretation of questions. Additional advantages of a telephone interview are that the interviewers are provided with more elaborate answers. The persons involved can also take part of non-verbal communication thus facilitating the interpretation of the answers by noticing intonations. It further gives the participants a chance of reformulation in case of misunderstandings (Gillham, 2008). The authors added sub questions throughout the interview to deepen the discussion in some areas, thus increasing the overall quality of the interview, resulting in a greater foundation for later analysis.

2.5 Validity

Validity can be defined as to what extent the results from a study reflect upon reality. When examining how valid a study is, a researcher has to answer the question of whether the study really captures the factors that are intended to be investigated. The level of validity can be assured by the usage of several techniques. These techniques include the use of multiple, independent sources of information, such as different established theories within the area of examination, as well as input from several research objects. Another technique used in order to assure a high level of validity is to use an external party who continuously examines the investigation process. (Merriam, 1994) These techniques were used during the entire process, thus increasing the level of validity.

When collecting data for the theoretical framework, it was of great importance to certify that the theoretical framework was of relevance for the purpose of the study. When collecting empirical data, a semi-structured interview guide was developed in order to give the respondents the opportunity to use their own words and thereby provide the authors with more genuine answers, increasing the level of validity. Herriot & Firestone (1983) claim that the results provided by a multiple case study can be seen as more convincing in comparison to the results obtained from a single case study. The overall case study can therefore be regarded as

of more robust character, thus enabling the authors to ensure a higher level of validity (Herriot & Firestone, 1983).

No specific questions were sent to the interviewees in advance, only a brief description of the area of examination in order to ensure that the authors would be provided with the most sincere responses possible. Validity was further ensured by the fact that the interview was of qualitative character, meaning that both parties participated in the discussion, giving the participants the opportunity to reformulate phrases which otherwise could have been misinterpreted (Gillham, 2008). In addition, the fact that the interview was recorded enabled the authors to reproduce the information from the interviews accurately.

2.6 Reliability

Reliability deals with to what extent a study can be reproduced at a later occasion and still provide the same result (Merriam, 1994). The term is constituted of four components; congruence, precision, objectivity and consistency (Troost, 2010). Merriam (1994) states that the concept of consistency is more important than that of reliability when conducting a case study, due to the fact that a case study is of qualitative rather than quantitative character. The authors have tried to take these components into consideration by for example not including subjective thoughts and opinions in the analysis of the obtained information. In addition, reliability is dependent on the reliance of the research instruments used. If the object of research is stable and if the preconditions are the same, the study should provide the same results if it was to be conducted at a later occasion (Wallén, 1996).

To increase the reliability of the study, the questions were developed to be of neutral character in order to avoid that the respondents would be led in a certain direction, thus providing an answer with a higher level of sincerity. In addition, neutral, non-leading questions increase the chance that a respondent would give a similar answer to the same question if it was to be posed at a later occasion which in turn makes the answers more reliable (Gillham, 2008). When searching for potential companies to examine, the authors chose the respondents carefully in order to get an interviewee with deep knowledge of the global HR practices within the companies observed. The choice of highly relevant respondents for the study increased the opportunity to obtain answers of high reliability.

2.7 Critique of sources

The choice of methods throughout this study have been carefully selected in order to achieve as high validity and reliability as possible in order to ensure a high quality of the study as a whole. However, even though the authors found a telephone interview to be a suitable method, it might be of inferior quality in comparison with a personal interview. This is due to that the conversation lacks important, non-verbal aspects such as mimics and gestures, something that might have contributed to the overall interpretation of the answers. An additional difficulty experienced by the authors was that the lack of non-verbal communication made pauses very difficult to interpret, thus impeded the flow of the communication.

Despite the choice of respondents for the interview and the following analysis of the information obtained, there is a risk that the answers might reflect upon the respondents' individual perceptions and thoughts rather than being of objective character. This is due to that a representative of a company might want to evoke a better picture than what is actually the case. Although trying to remain objective, there is also a risk that the interviewers interpret the information from their subjective point of view (Merriam, 1994). The level of objectiveness becomes even more complex since the reality from which the information is gathered is not static but constantly changing (Troost, 2010). Due to the limited time and resources, the authors did not have the possibility to do repeated interviews and follow-ups with the respondents, something which could have increased the validity of the study.

Since a qualitative study is often characterized by a low level of standardization in comparison to a quantitative study, assuring reliability becomes more complex (Merriam, 1994). This is due to that the information upon which the study is based is obtained through the interaction between individuals. Hence, there is a risk of misinterpretation of the answers, resulting in a more or less distorted analysis (Troost, 2010).

3. Theoretical framework

In order for the reader to get an understanding of the area which is to be investigated, a range of relevant theories for the area of investigation upon which the authors have based their examination will be presented. The theoretical framework will be introduced by giving a short presentation of the need for efficient Human Resource practices due to the emergence of multinational companies. Further, the theoretical framework will be divided into the topics of motivation, motivation linked to national culture as well as Human Resource Management linked to national culture.

3.1 Globalization and multinational companies

Due to globalization (e.g. migration, the opening of national borders, companies expanding globally etc.) and the creation of multinational companies (MNCs), the competition between firms operating on a global scale has increased (Dicken, 2007). Globalization has also resulted in the establishment of international work forces (Roth & O'Donnell, 1996). As a result, Human Resource Management (HRM) practices have grown in importance since employee quality can be regarded as a source of competitive advantage (Lowe, Millian, De Cieri & Dowling, 2002). HRM practices include the development of incentives with the purpose of attracting, retaining and motivating employees (Crandall & Phelps, 1991). It is however important to keep in mind that the culture of a MNC's country of origin strongly influences the design of incentives (Roth & O'Donnell 1996).

Employee motivation is regarded as an important contributor to a company's success. However, limited research has been conducted within the area of motivation linked to national culture (Schuler & Rogovsky, 1998). Existing studies investigating this area have been developed as recently as in the last decades (Barrett & Bass 1976).

3.2 Motivation

Motivation stems from internal and external factors ranging from incentives, desire or needs to expectations which stimulate a person to commit to an activity in order to achieve a goal. Hence, motivation is a determinant of human behavior. (Britannica Encyclopædia, 2011)

3.2.1 Need based theories

Many theories have been developed within the area of motivation. Classical theories launched during the mid-20th century by Maslow (1970), Alderfer (1969) and Herzberg (1966) among others, state that the human being is driven by needs. These can be of different characteristics, ranging from basic physical needs to needs for self-actualization (Maslow, 1970). These theories primarily deal with motivation linked to behaviorism. A common feature of all theories of motivation is that motivation is driven by a combination of needs for physical and psychological health (Locke & Latham, 2009).

The Motivation/Hygiene theory states that the human being has two sets of needs, the need as an animal to avoid pain and the need as a human to grow psychologically. The first types of needs are referred to as hygiene factors. Those are for example salary, status and job security. The latter types are the motivation factors which, on the other hand, consist of the possibilities for psychological growth and task achievement related to needs of self-realization. These factors include for example achievement, recognition, responsibility and advancement (Herzberg, 1966).

According to Latham (2007), needs are the starting point to motivation. They are based on factors such as living standards, personal values, culture and so forth. People tend to prioritize their needs differently based on these factors (Latham, 2007). Due to differing needs affecting the level of motivation, organizations operating across cultural borders might find it difficult to address issues related to culture and motivation in a way that make everyone feel committed to perform efficiently. Gelfand et al. (2007) state that work motivation across cultures can be divided into personal (motives and goals) and situational (feedback, rewards and job characteristics), by which people of different cultural backgrounds are motivated to various extents. Earlier research shows however that the need for self-efficacy, achievement and intrinsic needs for competence, relatedness and autonomy in particular are universal motives (Gelfand et al. 2007).

3.2.2 Goal-Setting

Another perspective, the Goal-Setting Theory, discussing the importance of satisfaction and performance, states that regardless of differences in needs, values and national culture, goal setting functions are universal (Locke & Latham, 1990). The theory assumes that the level of motivation among people increases when having a specific, challenging but achievable goal (Locke & Latham, 1990). This is explained by the fact that a specific goal leads to a sense of

meaning which results in an increased level of performance. When achieving a goal, a sense of pride and personal enhancement is installed within a person, resulting in a higher level of motivation and thus increased performance (Latham, 2007). In addition, research has discovered a positive correlation between feedback and motivation (Ashford, 1986; Bandura & Cervone, 1983; Taylor, 1984). Unlike goal-setting, feedback works as a guideline during and after the execution of a task. It helps to clarify what is expected from a person, hence indicating how an individual should act in order to achieve a goal (Fey, 2005). According to Fey (2005), cultural values influence the preference of rewards, which has resulted in the establishment of differing reward systems. In sum, the theories of goal-setting and feedback are built upon the assumption that, although preferences of rewards differ between cultures, goals and feedback affect the level of motivation among people regardless of their national cultural background (Locke & Latham, 1990). According to Latham (2007), quantitative goals tend to be easier to establish and measure than qualitative goals. Further, he points out the importance of setting high and defined goals.

The Goal-Setting Theory developed by Locke and Latham has been criticized for provoking unethical behavior. An example illustrating unethical behavior can be that employees, in order to achieve financial goals, might be tempted to present falsified financial figures. Regarding goal-setting and risk taking, higher goals seem to be linked to a higher degree of risk, since there is a risk that radical decisions taken in order to achieve those goals, might instead harm the company (Ordoñez, Schweitzer, Galinsky & Bazerman, 2009). Further, Ordoñez et al. (2009) oppose the Goal-Setting theory by claiming that establishing high goals can result in more narrow goals focusing on short-term gains, thus neglecting the importance of having a long-term perspective within an organization. This idea has been questioned by these opponents since they state that goals which are too hard to achieve might instead trigger psychological dissatisfaction, affecting the level of motivation. Due to the fact that individuals are generally motivated by personal goals, companies may find it challenging to set goals which everyone within the organization is committed to achieve (Ordoñez et al. 2009). Although having discovered major weaknesses of the Goal-Setting Theory, the opponents admit that the theory can be of use if it is properly implemented. However, when setting goals, one must take the above mentioned aspects into consideration (Ordoñez et al. 2009).

3.3 National culture

Culture is a phenomenon with several definitions. However, what the definitions have in common is that culture is considered to be a complex multi-level construct which is more or less stable and formed over a relatively long period of time (Taras, Roney & Steel, 2009). Furthermore, it encompasses shared attitudes, behavior and ways of thinking among individuals belonging to a specific group (Hill, 2008). Concerning national culture, some nations comprise a wide variety of cultures while others can be more or less culturally homogenous (Kitayama & Markus, 1991). In general, national culture refers to the values and norms shared among the majority of the population in a specific country (Geert Hofstede Cultural Dimensions, 2011a). As a result of globalization, cross-cultural issues have grown in importance (Taras, Roney & Steel, 2009).

The study made by Hofstede in the 1980s was the starting point of a new era of theories examining various cultural dimensions and what impact these have on people of different nationalities and their personal values (Taras, Roney & Steel, 2009). Hofstede's theory is based upon a study in which he interviewed personnel working for the company IBM about their personal values and thoughts regarding work related questions (Hofstede, 1980). From the answers obtained, he was able to derive four cultural dimensions depicting different aspects of societies. The four dimensions are Power Distance, Uncertainty Avoidance, Individualism-Collectivism and Masculinity-Femininity (Hofstede, 1980).

Power Distance deals with to what extent a society accepts that power within an organization or an institution is unequally distributed (Hofstede, 1980). People of a nation with high Power Distance are more likely to accept authority and hierarchy. Uncertainty Avoidance indicates to what extent a society tolerates uncertain situations. A society characterized by strong Uncertainty Avoidance has a high level of anxiety and tries to avoid ambiguity by establishing laws and regulations, relying on expertise and providing career stability (Hofstede, 1980). An Individualistic society is a society where one takes for granted that people solely take care of themselves and their closest relatives in comparison to a Collectivistic society where a tight social framework is highly valued. The social framework is divided into two groups; the in-group as opposed to the out-group, referring to relatives, clans and organizations looking after each other in exchange for loyalty (Hofstede, 1980). The fourth dimension distinguishes between Masculinity and Femininity. A typical Masculine society cherishes decisiveness, money and material things over the care for others and quality

of life which are typical characteristics of a Feminine society (Hofstede, 1980). Later on, Hofstede added a fifth dimension called Long-Term Orientation. This dimension deals with a person's attitude towards time, respect for tradition, fear of losing face, reciprocation of gifts and favors and so forth (Hill, 2008).

Hofstede discovered that some of the cultural dimensions are more likely to be related to each other. For example, countries with high Power Distance are often associated with Collectivism whereas societies with low Power Distance are generally more Individualistic. Hofstede also points out that there is a third factor, national wealth, which influences the relations of these two dimensions; Individualistic societies with low Power Distance are often characterized by high GDP/capita whereas Collectivistic societies with high Power Distance are often characterized by the opposite (Hofstede, 1980).

Although Hofstede's study on national culture is the most cited within the area of international business (Sivakumar & Nakata, 2001), it has been the target of criticism on numerous points. Hofstede does not take the fact that a nation might comprise several cultures into consideration. His study is based upon the assumption that there is a correlation between a certain culture and a certain nation. Moreover, one can question the fact that he based his research on interviewing employees of a single company. Therefore, there might be a risk that the respondents were influenced by the existing corporate culture rather than their national cultures (Hill, 2008). In addition, Hofstede chose to study employees of a rather homogenous social class which might have led to a biased result. Regarding the fact that his research was conducted about 30 years ago, one can claim that his results are now more or less out of date. This is due to that even though culture is more or less stable, some characteristics may have changed during this period of time. Last, one should acknowledge that Hofstede's interpretation of the results might have been affected by a Western perspective, since Hofstede himself is of Dutch origin (Hill, 2008).

3.4 Work motivation linked to national culture

3.4.1 National cultural impacts

Cultural dissimilarities might constitute a risk for corporations due to that people might be driven by different incentives (e.g monetary and non-monetary incentives) and needs. Thus, the perception of value might differ between people of different national cultural

backgrounds. In this case, having an awareness of how to motivate employees with differing perceptions of value and implementing motivation mechanisms might be challenging for companies operating globally.

As mentioned, organizational performance is dependent on the human factor regardless of where in the world a company is present (Adler, 1991). In order to become globally successful, an HR department must recognize that although maintaining the firm's core values, it is argued that it should adapt to the differing local conditions in which it operates. This can be illustrated by the fact that organizational performance is affected by the employees' willingness to contribute to the established objectives of a company. Further, employees' achievement depends on the incentives and motivation mechanisms provided by the corporation (Fey, 2005).

3.4.2 The importance of developing suitable HR practices

Research has shown that when developing HRM practices for different regions, HR managers of MNCs have put a lot of effort into adapting to local laws and regulations rather than taking cultural differences into consideration (Florkowski & Schuler, 1994). This has led many domestically successful companies into failure when expanding their operations abroad (Gleisser, 1996), something which illustrates the importance of implementing suitable HR practices. Schuler and MacMillan (1984) support this argument by claiming that managing human resources efficiently can result in competitive advantages for companies. Further, research conducted by Hofstede (1993) among others, states that countries differ with regard to human resource practices. Hence, it is suggested that there is a link between HR practices and national culture.

3.5 Human resource management and national culture

Harrison (1993) argues that individuals living in a cultural environment characterized by high Uncertainty Avoidance may generally prefer a concrete Management Control and Incentive System (MCIS) design where there is a clear connection between effort, performance evaluation and incentive compensation. Cultures characterized by a high level of Individualism tend to appreciate MCIS designs that embrace personal achievement and self-actualization whereas Collectivistic cultures value a design where the welfare of the group is central.

In cultures with high Power Distance, employees have more tolerance to inequalities regarding hierarchy and differing incentives (Hofstede, 1980). According to Van Der Stede (2003), one can predict that Masculine cultures favor stronger focus on performance and monetary incentives, while Feminine cultures in general care more about the well-being of others. This statement is supported by another study made by Schuler and Rogovsky (1998) which discovered that incentives in terms of for example flexible benefit plans and workplace childcare are not associated with Masculine cultures. Further, a study made by Gelfand et al. (2007) refers to Hofstede's cultural dimensions by showing that personal control also is a critical factor in cultures which are characterized by a high level of Individualism, whereas in Collectivistic cultures there is a belief that positive rewards should be a result of collective efforts.

There are several reasons to link a company's HR practices to national culture and values. The main reason is that culture is a determinant of human behavior. It also influences people's perceptions of value (Fey, 2005). Practices taking this aspect into consideration may therefore contribute to desirable performance of employees, resulting in fulfillment of corporate goals (Schuler & Rogovsky, 1998). This is supported by the fact that employees tend to perform better when HRM practices are in accordance with national cultural values (Newman & Nollen, 1996). Furthermore, Newman and Nollen (1996) conclude that companies, in order to be successful, should adapt their incentive practices to the preferences of each specific nation in which they are present (Newman & Nollen, 1996). Hence, many companies have begun to develop HR practices based on the value system which is suitable for each specific national culture (Dowling, Welch & Schuler, 1999).

In order to create a work environment which provides the tools needed to improve a company's decision making process, a firm must install several Management Control and Incentive Systems (Van der Stede, 2003). Through his study on the effect of national culture on MCIS design, Van der Stede (2003) has come to conclude that some MCISs tend to be uniformly implemented within firms rather than to reflect local business-unit conditions, whereas some MCISs seem to be adapted to differences between business-units. However, Harrison (1993) claims that there is a need for finding a balance between local adaptation and global standardization when designing MCISs.

4. Empirical findings

In this chapter, the empirical data obtained from the HR representatives of the examined case companies, Husqvarna and Truck Co, will be presented. The empirical findings will provide the reader with information regarding by which factors employees of different cultural backgrounds seem to be motivated, if motivation can be linked to national culture and finally, how national cultural differences are taken into consideration in the HR processes of the respective companies.

4.1 Motivation

What motivates an employee at Husqvarna seems to depend on his/her level of commitment and drive. Husqvarna seems to acknowledge this and has therefore divided its employees into three different categories, depending on each employee's level of performance. According to Bengtsson, high-achievers tend to be motivated partly by monetary incentives, partly by earning more responsibility and influence. Low-achievers on the other hand do not seem to strive for personal development, instead they settle for specific work tasks that do not require too much responsibility or new challenges. More specifically, high-achievers tend to be more motivated by personal development, responsibility and recognition whereas low-achievers seem to prefer manageable tasks as well as continuous support from their superiors. Common factors of motivation which seem to be equally important for all employees regardless of category are clear and explicit goals which are adapted to each employee's own ability as well as continuous feedback. (Bengtsson, 2011)

Anderson at Truck Co makes the assumption that feedback and recognition are important drivers of motivation, regardless of what position an employee holds. Recognition encompasses not only the acknowledgement of good performance within the group but also that a specific individual's achievement is forwarded to, and recognized by superiors within the organization. Moreover, the employees at Truck Co seem to be motivated by different factors such as monetary incentives, social aspects, need for recognition and self-efficacy. Further, in addition to shared company objectives which all the employees are to strive for, every employee has a personal business plan in which individual goals are established. The

employees are also well informed about the remunerations that are linked to a specific achieved goal. (Anderson, 2011)

When discussing motivation, Anderson (2011) emphasizes the importance to make a distinction between motivation and engagement. For an employee to feel motivated to execute a work task, he/she does not have to be committed, thus not engaged. She clarifies this by explaining that a higher salary linked to a certain work task might trigger motivation, but this does not mean that the employee is engaged in his/her work. Anderson believes that it is important to pay attention to an individual's competence and achievements in order to create and spur engagement. However, she argues that the triggers behind motivation might differ depending on people's cultural backgrounds, while the factors behind engagement are more or less the same.

4.2 Work motivation linked to national culture

Bengtsson illustrates how work motivation can be linked to national culture by providing an example of the differences between Chinese and European employees. He states that Chinese employees tend to value monetary compensation to a great extent, whereas European employees seem to be more motivated by factors such as work flexibility, free time and education. This can be explained by the fact that monetary compensation in the West can be regarded as a hygiene-factor whereas in the East, monetary compensation is the primary driving force for work motivation. The fact that Bengtsson uses the term hygiene-factor shows that he is familiar with the Motivation/Hygiene Theory developed by Herzberg. Further, during job interviews, Chinese employees tend to appraise their previous employer and talk about how he/she contributed to their development rather than highlighting their own skills and in what way they personally can contribute to their future employer. (Bengtsson, 2011)

By comparing four different countries of which Anderson has good knowledge, she gives several examples of how national culture may affect the level of work motivation. The Mexican culture is for example very group-oriented. Work colleagues and the family have close and informal relationships where everyone supports one another. Further, Mexican employees value the social aspect to a great extent and motivation therefore stems from recognition from superiors and colleagues. Hence, Mexicans tend to perform better when knowing that their performance may lead to appreciation and inclusion in social networks.

Regarding taking national culture into consideration, Anderson states that even though the social aspect is of untouchable character and not a tool for motivation itself, it is considered a very important aspect of motivation. As opposed to the Mexican culture, Anderson (2011) argues that the Swedish culture is Individualistic. Swedes care more about their personal interests and their closest family rather than the larger group. Hence, Swedes do not rely on the support and influence from their in-group to the same extent as Mexicans. If employees at Truck Co's Swedish division do not achieve their personal goals, they might not be given the same opportunities for further development within the company. Thus, an important factor of motivation for Swedes is the possibility for personal development. However, a common feature of these two cultures, according to Anderson, is that neither Swedes nor Mexicans seem to find monetary compensation to be the primary driver of motivation. (Anderson, 2011)

Anderson bases her next example on the Brazilian culture of which she has earlier work related experience. She argues that the competitive Brazilian culture forces the employees to excel their co-workers and constantly improve their skills to perform on top. According to Anderson the strive for status, bonuses and money is the primary trigger of motivation for Brazilians. This can for example be illustrated by the fact that individual bonus systems are highly valued. Status, bonuses and money are also highly valued in the Polish culture. If a Polish employee for example is delegated an additional task which is not included in his/her regular work load, monetary compensation is most often a necessity in order for the job to be done. Individual bonus systems are therefore regarded as a significant factor of motivation. Further, Poland is characterized by a hierarchical structure where status and titles are of importance. Polish employees are often motivated by clear instructions and continuous feedback, since they do not feel comfortable with taking their own initiatives. (Anderson, 2011)

Despite the various cultural differences among Truck Co's employees, Anderson mentions that the company often sets up small work teams including people of different subsidiaries from around the world. Hence, people of different cultural backgrounds are forced to work very closely together. She states that these collaborations often work well but in order for them to do so, it is crucial for the employees involved to get to know each other and to keep a close dialogue within the groups. (Anderson, 2011)

4.3 Human resource management and national culture

At Husqvarna, several mechanisms are used in order to motivate the employees. Depending on earlier work performance as well as an employee's current position at the company, different ways to motivate and to reward a person are used. In order to get an insight into how Husqvarna should motivate its employees as well as to find out how the personnel perceive their employer and work assignments, the company conducts an annual employee survey. The obtained information is thereafter examined by the HR department in order to get an understanding of how to improve leadership and management as well as the working processes at Husqvarna. This includes providing the employees with opportunities for personal development and responsibility in order to create commitment. The overall purpose of the employee survey is to increase the productivity within the organization. (Bengtsson, 2011)

According to Bengtsson, there is often a need for adapting compensation practices to local practices and regulations. Therefore, local managers are allowed to set for example appropriate salaries. However, a close dialogue between the business units and the head quarter is held to make sure that the system is effective and provides value to the company. (Bengtsson, 2011)

As mentioned previously, all of Husqvarna's employees are divided into three categories depending on their level of commitment and previous performance. Category A is composed of high-achievers, whereas Category C and B consist of either low-achievers or those in between. The company adapts its motivation mechanisms to the respective category and remuneration is in turn linked to the category into which the employee has been divided. The motivation mechanisms used for Category A are job training and opportunities for greater responsibility with the purpose of stimulating performance. Further, flexible bonus systems with the aim of preventing high-achievers from seeking better paid positions at other companies are used. (Bengtsson, 2011)

Regarding Category B, focus is mainly put on developing the employees in their current job. Relevant job training is offered within the employees' own working areas in order to keep them updated within their field. The employees of Category B receive encouraging feedback for their achievements. A bonus system is however not used as a motivator, instead it is of

great importance that the salary is just but also that it reflects upon the employees' performance. (Bengtsson, 2011)

The motivation mechanisms for Category C differ from the other categories in the way they are used. In addition to rewarding good performance, the motivators for category C are used in order to prevent inefficiency since this category is not considered to perform as expected. The employees are provided with so called "Performance Improvement Plans", consisting of explicit goals adapted to each employee's own abilities. Feedback for this category is more about repeated follow-ups on their personal improvement plans in order to ensure that insufficient performance is addressed. (Bengtsson, 2011)

Truck Co conducts an annual employee survey with the aim of finding out how to motivate and engage the employees. The answers are evaluated from the bottom of the organization and up, first by local superiors and thereafter by the top management which evaluates the accumulated results. The survey is anonymous and therefore evaluated on a general group basis. If the obtained answers from a certain group are below the norm, a dialogue is held in order to discuss the reasons behind them and what can be improved. (Anderson, 2011)

At Truck Co, each manager has the liberty to decide what mechanisms to use in order to motivate his/her employees. However, Anderson argues that the development of motivators should be in accordance with the company's overall business plan. She further emphasizes the importance of not violating the company's shared values, including respect for the individual and gender equality among others. Anderson prefers to encourage her employees and to give prominence to somebody who has done something extra. She does this by bringing up good performance on group meetings as well as by making sure that an employee who performs well is recognized upwards in the organization. (Anderson, 2011)

When comparing her groups in Mexico, Poland and Sweden, Anderson notices cultural differences which affect what types of motivation mechanisms are preferred. She argues that Polish employees are more in need of step-by-step instructions whereas Swedes value the freedom of taking own initiatives. Since money and status are important in the Brazilian and Polish cultures, individual bonus systems are often used and if the employee achieves the goals set in his/her personal business plan, a full bonus is received. Despite these cultural

differences, Anderson believes that the determinant of an effective motivation mechanism is more dependent on the individual rather than his/her cultural background. (Anderson, 2011)

Considering adaptation and standardization of motivators, Bengtsson (2011) claims that there is a risk associated with adapting motivation mechanisms to each individual, meaning that such a system would be based on negotiation rather than performance. Further, adapting motivation mechanisms to each individual constitutes a challenge for Truck Co as well as for Husqvarna due to the limitations in time and resources (Anderson, 2011; Bengtsson, 2011). Moreover, Bengtsson highlights the importance of implementing motivation mechanisms in a way that they do not become de-motivating. He argues that the motivators should be easy-to-measure on a group level since adapting to each individual can have opposite effects and that remuneration should be linked to the overall performance. (Bengtsson, 2011)

5. Analysis

In this section, the differences between theory and practice that have been discovered will be highlighted. Further, the authors will present several noticed links between the theoretical framework and the HR representatives' subjective views regarding national culture and motivation. In this chapter as well as in the previous ones, the authors have chosen to make use of the same subheadings in order to enable the reader to take part of the discussion.

5.1 Motivation

As mentioned in the theoretical framework, Gelfand et al. (2007) state that work motivation across cultures can be divided into personal motivation, that is incentives and goals, and situational motivation including feedback, rewards and job characteristics. Feedback is found to be positively correlated with goals (Ashford, 1986; Bandura & Cervone 1983; Taylor, 1984), thus it is needed to bring forth motivation. The empirical findings regarding culture and motivation indicate that in some cultures, personal motivation stems from a desire for status and titles whereas in other cultures, people appear to be motivated by opportunities for personal development (Anderson, 2011). As opposed to personal motivation, the usage of situational motivation does not seem to differ among the examined companies. The investigation shows that feedback and rewards are regarded as efficient motivators for employees regardless of their national cultural background since both companies make use of this type of situational motivation. Husqvarna seems to provide its employees with different types and amounts of feedback depending on the respective employee category. However, Bengtsson (2011) neither mentions what type of feedback the company makes use of (whether it is face-to-face or one way communication) nor does he mention if, and in that case why, the amount of feedback differs between the categories. Anderson (2011) acknowledges that personal motivation differs between national cultures. Although admitting that she is aware of the differing preferences regarding this type of motivation, she does not provide any concrete examples of how these differences are taken into consideration when motivating Truck Co's employees. Feedback, according to theory, is equally important for people regardless of national cultural background and frequently used in practice as a part of the process of achieving goals (Locke & Latham, 1990).

Considering goals, Locke & Latham (1990) state that goal-setting principles are universal. Regardless of national cultural background, people tend to be more motivated when having a specific, challenging but achievable goal (Locke & Latham, 1990). Newman & Nollen (1996) further state that it is important that the implementation of goals is in accordance with the cultural context. According to the empirical findings and the statements made by Anderson and Bengtsson, the case companies seem to highlight the importance of goal-setting to various extents. Anderson (2011) clearly expresses that at Truck Co, explicit goals are established for all employees regardless of national culture, thus goal-setting seems to be of universal character. At Husqvarna, goal-setting is only explicitly mentioned for one of the categories, that is category C. However, Bengtsson (2011) explains that the company provides category B with tools such as relevant job training and few but yet new tasks etc. in order for the employees to develop within their own work field. Although Bengtsson (2011) does not use the term goal in his reasoning, it can be interpreted as if these tools are used to fulfill a need for self-achievement and personal development among employees, something which both Herzberg (1966) and Maslow (1970) highlight in their respective theories regarding the need for self-actualization. Rather than taking national culture into consideration when motivating Husqvarna's employees, it seems like goal-setting is used as a universal mechanism to trigger motivation within the company, which in that case would be consistent with Locke & Latham's (1990) Goal-Setting Theory. However, when comparing Newman & Nollen's (1996) statement with practice, the empirical findings do not show whether the goals are actually implemented with regard to the specific cultural context.

Husqvarna claims that the company provides category C with explicit goals. In addition, the employees are provided with a reduced work load in order for the goals to be achievable (Bengtsson, 2011). It could be interpreted as if Husqvarna uses this strategy in order to motivate its employees and thereby increase the level of performance. However, it could be questioned whether Husqvarna uses goal-setting as a motivator or solely in order to measure performance. This questioning is based upon the fact that it would be easier for the management to measure if an employee has achieved specific goals after for example a certain time-span rather than through subjective evaluations.

Further, Latham (2007) states that needs of both psychological and physical character are the basic factors from which motivation stems. These needs are based on factors such as living standards, culture and personal values among others. Bengtsson (2011) mentions significant

differences and preferences in needs depending on an employee's national background by giving the example of differing preferences between Chinese and Western employees. When comparing this to theory, it can be interpreted as if these preferences might stem from for example differing living standards and economic development.

Anderson (2011) highlights the importance of making a distinction between the terms motivation and engagement. When referring to the theoretical framework, none of the mentioned researchers comment on the concept of engagement and whether this term ought to be separated from motivation. Theory has brought out employee motivation, which is argued to be influenced by national cultural values, as one of the main contributing factors to company success. However, Anderson seems to have a different view regarding this since she claims that engagement can be seen as the most effective motive force to employee commitment. She further argues that what makes the individual committed and engaged does not depend on his/her cultural background. Thus, Anderson's statement can be interpreted as if engagement does not only differ from motivation in terms of definition, but engagement also opposes motivation in the way that theory assumes the latter to be evoked.

5.2 Work motivation linked to national culture

From his study, which is presented in the theoretical framework, Hofstede (1980) identified five cultural dimensions of which countries are characterized by to varied extents. These seem to influence what people of different nationalities perceive as valuable. However, as all studies, Hofstede's study of cultural dimensions has been criticized on numerous points, especially the fact that he assumes that there is a 1:1 correlation between nation and culture. These points of criticism are therefore important to bear this in mind in order not to generalize individuals solely on the basis of his study.

Regarding the above discussion about goals, Newman & Nollen (1996) state that it is important to be aware of the fact that the implementation of goals must be in accordance with the cultural context. When referring to Hofstede's cultural dimensions, it can be argued that in Individualistic countries, goals might be more effective if they are established on an individual level whereas in Collectivistic countries, goals set for the entire group might result in higher performance. The complexity of setting goals in this way could be that there might be individuals in Collectivistic countries who value individual goals and vice versa. Thus it might be difficult to draw general conclusions of what types of goals individuals of a certain

nation prefer. When analyzing the examples provided by the interviewees, some similarities between the respondents' subjective perceptions of national cultural impacts on work motivation and Hofstede's reasoning regarding national cultural dimensions have been found.

Anderson presents her view of what seems to influence and motivate employees of different nationalities at Truck Co. She has for example noticed that the Mexican culture is group oriented and as a consequence, Mexicans tend to respond to motivators linked to the social aspect. Hence, Anderson has come to conclude that motivation stems from the recognition of superiors and colleagues, thus appreciation and inclusion in social networks can, according to her, be regarded as the main triggers of motivation and high performance. Swedes on the other hand, according to Anderson, care more about personal interests and their closest family. They therefore tend to have little reliance on the support from others. (Anderson, 2011) From Anderson's point of view, motivation for Swedish employees often stems from personal development, which could be linked to Harrison's (1993) statement regarding how Individualistic countries tend to appreciate MCIS designs that embrace personal achievement. These descriptions of differing preferences might also be linked to Fey's (2005) statement that cultural values influence the preferences of rewards.

Further, Anderson has discovered that Poland is a hierarchic country where employees tend to prefer clear instructions rather than taking own initiatives. Due to this need for clear instructions and hierarchy, it can be interpreted as if Polish employees value a high degree of assurance and security. In comparison, she has noticed that Swedes value the opportunity of taking own initiatives and to be given personal responsibility. (Anderson, 2011) It can be argued that this has to do with the cultural characteristics of the country which correspond to Hofstede's perception of Sweden as a nation characterized by small Power Distance and a high level of Individualism.

According to Anderson (2011), status, money and titles are highly valued in the Polish and the Brazilian culture where these factors seem to be the primary triggers of motivation. She describes the Brazilian work culture as very competitive, thus it is important to always perform on top and to excel colleagues. When comparing Hofstede's theory with these practical examples, both Brazil and Poland can be regarded as Masculine countries. Referring to the empirical findings, Brazilian employees seem to value individual bonuses. The findings can be interpreted as if Brazilians prefer a work environment where focus is put on individual

performance. Thus, it can be argued that Brazilians value self-achievement rather than teamwork. This is not in accordance with Hofstede's theory which defines Brazil as a country of typical Collectivistic character (Geert Hofstede Cultural Dimensions, 2011b). Further, Anderson (2011) believes that monetary incentives are of minor importance for Swedish employees, something which could be perceived as a Feminine characteristic if applying Hofstede's theory on her personal view of Swedish values.

Bengtsson (2011) describes how Chinese employees, during job interviews, often talk about their previous employer in very positive terms rather than highlighting their personal competence and in what way they could contribute to a future employer. This can be seen as an example of reciprocation of favors and respect. The example clearly illustrates differences between the two cultural extremities of the East and the West. Due to the fact that the Chinese society is regarded to be very hierarchical, employees feel respect towards their employer to an extent which is not as common in the West. In China, a company is regarded as the family where the boss has a paternalistic role, supporting the employee and his family (Hill, 2009). Referring to Hofstede's theory, this may be explained by the fact that China is regarded to be a Collectivistic country characterized by high Power Distance, where the Long-Term Orientation aspect is of great importance.

The examples above illustrate the importance of taking national culture into consideration in order to understand the behavior of employees with different cultural backgrounds and how to address them in a correct way. This does not only concern the establishment motivation mechanisms, but also in other situations which may be of importance for the company's overall success. Although the above utterances made by the respondents in many cases might be interpreted as applicable on theory, especially the one established by Hofstede (1980), one should bear in mind that all the examples are based upon Anderson's (2011) and Bengtsson's (2011) individual perceptions of national culture and preferences. Hence, these cannot be regarded as general facts depicting national cultural characteristics.

5.3 Human resource management and national culture

According to Fey (2005) it is important to link HR practices to national culture since culture is a determinant of human behavior. Thus, employees tend to perform better when HRM practices are in accordance with national cultural values (Newman & Nollen, 1996).

Regarding MCISs, the interviewees of the examined companies claim that they adapt their practices to local conditions to some extent. However, they further highlight the importance of not diverging too much from company standards and regulations (Anderson, 2011; Bengtsson, 2011). It therefore seems like the main challenge for these companies is to develop suitable motivation mechanisms which are effective but at the same time not violating company regulations.

Many researchers emphasize the importance of adapting MCIS to the national cultural differences of the local environment in which a company operates (Harrison, 1993; Newman & Nollen, 1996; Fey, 2005). However, when describing how Truck Co's small close-knit work teams include people of different cultural backgrounds, Anderson (2011) does not provide any information of whether these individuals are offered motivation mechanisms developed on the basis of their national cultural background. In fact, if Truck Co was to develop motivation mechanisms for each employee belonging to such a group, it could be argued that the company might face difficulties. This is due to that there might simply be a limit where it is no longer preferable to develop motivators on an individual level, since every team-member of such a group has the same work tasks. Differing remunerations between individuals might evoke a sense of inequality and thus become de-motivating. This is something which Husqvarna seems to have acknowledged since the company tends to prefer a usage of flexible reward systems based on the performance of the entire group. As mentioned, Bengtsson explains that it is due to that individual influence on reward systems might lead to too much negotiation, resulting in undesired performance. This is an aspect which researchers such as Newman & Nollen (1996) and Fey (2005) among others have not highlighted, but an aspect which seems to be of importance in practice. However, the essentials of the research conducted by Van der Stede (2003) shows that the MCIS design of companies tend to be uniformly implemented rather than reflecting local business-unit conditions. Based on the reasoning above, this theory seems to be in accordance with the practices of Truck Co as well.

As mentioned in the empirical findings, local managers at the investigated companies are given the freedom to set appropriate motivation mechanisms as long as these do not compromise too much with the companies' overall standards or the budgetary restraints (Anderson, 2011; Bengtsson, 2011). Although, the HR representatives of Husqvarna and Truck Co claim that local managers are given the freedom to adapt motivation mechanisms locally, they do not give many practical examples of whether local managers actually take the

specific national culture into consideration when developing motivators. Therefore, the risk that local managers might develop their motivation mechanisms based upon their personal perceptions of what is effective cannot be excluded. Hence, the risk that national cultural aspects might be overlooked during the process cannot be excluded.

Both HR representatives of the examined companies state that national cultural aspects are acknowledged when handling HR practices and that this is done for example by conducting an annual employee survey and giving local managers the freedom to set appropriate motivators. However, Anderson and Bengtsson give relatively few concrete examples of how the results of these surveys are implemented in practice. The surveys are for example said to be conducted with the purpose of acknowledging national cultural differences and to make use of the results in order to find out how to properly adapt to these differences. However, it can be questioned to what extent these surveys are used for this specific purpose in the actual implementation process since local managers are able to set motivation mechanisms based on their personal judgments. Further, it could be of interest to find out whether the motivation mechanisms are set with regard to the local culture or if the local manager's own national cultural background influences the establishment of motivation mechanisms, a risk which is discussed above.

Moreover, the HR representatives of the case companies partly seem to develop their motivation mechanisms on the basis of their corporate values which often include participative leadership rather than hierarchical leadership. This interpretation can be made since both respondents highlight the importance of employee involvement, continuous dialogues and the treatment of an employee as an individual. When considering Hofstede's theory (1980), it could be argued that these values are perceived to be typical characteristics of the Swedish culture. Roth & O'Donnell (1996) claim that the culture of a MNC's country of origin strongly influences the MCIS design of a company. Having this in mind, it could be interpreted as if their statement seems to reflect upon reality in this case.

As another way of acknowledging the national cultural aspect, Anderson (2011) and Bengtsson (2011) state that they try to adapt motivation mechanisms to differing local preferences to some extent. These statements are in accordance with Newman & Nollen's (1996) discussion regarding the importance of adapting HRM practices to national culture in order for the company to be successful. However, due to limited resources and the importance

of not violating the company's core values and principles, Anderson (2011) and Bengtsson (2011) further claim that a certain degree of standardization is required. The findings of Van der Stede's (2003) study on the effect of national culture on the design of MCIS is consistent with the empirical findings regarding the fact that companies tend to standardize their MCIS design to a certain extent in practice.

Although the companies concerned claim that they try to adapt their remuneration practices to some extent, it seems to be difficult for both of them to adapt the remuneration practices as far as to individual level. As mentioned, Bengtsson states that this is due to that when rewarding employees, the underlying motive must be clearly evident and explicable in order for the system not to become de-motivating. He further claims that remuneration based on the result of the entire group is easier to explain and leads to higher performance rather than individual negotiations. (Bengtsson, 2011) However, Bengtsson does not mention national cultural impacts in this context. Depending on the employees' cultural backgrounds and individual preferences, it is difficult to tell whether group incentives are to be preferred. Anderson (2011) contradicts Bengtsson's assumption that group incentives are the most efficient compensation package regardless of national culture by stating that what motivates employees depends on the individual's cultural background. Referring to Harrison's (1993) discussion about the importance of finding a balance between local adaptation and global standardization when designing MCISs, Anderson's (2011) description of Truck Co's MCIS design does not clearly illustrate that the company puts a lot of effort into finding this balance. This since each local manager seems to implement motivators independently. Husqvarna on the other hand seems to find this balance to be of greater importance. This perception is based upon the fact that although local managers are allowed to adapt compensation and salaries to some extent, Bengtsson (2011) describes that close dialogues regarding compensation are held between the company's units as well as that the corporation finds the usage of group incentives to be important. It could therefore be argued that although both companies find a certain level of standardization to be necessary in order to avoid violating corporate values, Husqvarna seems to make use of standardization to a greater extent.

When studying the practical management of motivating employees, Husqvarna has, as mentioned, a system where the company divides its employees into three different categories depending on their level of performance. Category C, that is the low-achievers, is given a reduced work load with tasks that require a lower level of commitment due to the fact that this

group is not considered to meet the company's expectations regarding performance. In addition, Bengtsson (2011) mentions that different motivators are used for the respective category. However, he does not provide any information whether this method of dividing employees is used at each of Husqvarna's global divisions. Referring to Bengtsson's argument regarding the differing preferences between Chinese and Western employees, it seems like Husqvarna has an awareness of cultural impacts on people. Based on this discussion, one can look upon this from two perspectives. When analyzing the company's practices regarding how to motivate its employees, the empirical findings can on the one hand be interpreted as if Husqvarna bases its motivators solely on the level of performance since no consideration to national cultures can be found in practice. Thus these practices are not considered to be in accordance with Fey's (2005) argumentation above. On the other hand, the fact that Husqvarna's local managers have the freedom to develop motivators locally can be regarded as if national culture is taken into consideration within the organization, but on another level than centrally within the firm.

Anderson (2011) at Truck Co describes the characteristics of four different national cultures as well as the factors which seem to motivate people of the respective national culture. As mentioned, in Brazil for example, individual bonus systems are used in order to make employees achieve their goals and in Poland, extra pay is often used as compensation for doing an extra work task. These examples illustrate that the company seems to link its HR practices to national culture to some extent, which is something that Fey (2005) advocates. This interpretation can further be supported by the fact that when applying Hofstede's cultural dimensions, both Brazil and Poland can be regarded as Masculine countries. Another characteristic of Masculine countries, according to Schuler & Rogovsky (1998) is that compensation in terms of for example flexible benefit plans are not associated with this cultural dimension. Based on Anderson's (2011) examples of the remuneration system in Brazil and Poland, Schuler & Rogovsky's discovery seems to be in accordance with practice even in the case of Truck Co.

As mentioned, Harrison (1993) claims that people living in a cultural environment which is characterized by what Hofstede (1980) refers to as high Uncertainty Avoidance, generally prefer a concrete MCIS design. Anderson's (2011) own perception of the characteristics of Polish employees can be interpreted as if they prefer security over uncertainty. Moreover, referring to Anderson's (2011) description of Polish preferences, a correlation between theory

and practice can be noticed, since she describes how Polish employees within Truck Co find comfort in hierarchy, clear instructions and guidance. Further, the fact that Polish employees, according to Anderson (2011) demand extra compensation for doing an extra task could also be linked to theory (Schuler & Rogovsky, 1998; Fey, 2005; Harrison 1993). This is an example which illustrates that Polish employees value a clear connection between MCIS design and effort, performance evaluation and incentive compensation, something that Harrison (1993) states is important for countries characterized by high Uncertainty Avoidance.

Although many researchers emphasize the importance of adapting MCIS to the local environment in which a company operates (Harrison, 1993; Newman & Nollen, 1996; Fey, 2005), the information provided by Bengtsson (2011) and Anderson (2011) indicates that Husqvarna and Truck Co do not seem to make national culture the primary factor upon which motivation mechanisms are based. This is something which Van der Stede (2003) also discovered through his more extensive study on the effect of national culture and the MCIS design, in which 153 business units within 37 firms were investigated.

6. Conclusion

In this chapter, the authors will begin by objectively answering the research questions on the basis of the collected empirical data. In the next section of this chapter, the authors present their own thoughts and reflections concerning the obtained results. During the study, the authors have gained deeper insight into the area of investigation and have therefore, as a final contribution, chosen to give various recommendations for Swedish multinational companies as well as propositions for further research within this area.

6.1 Results

How are motivation mechanisms developed within a Swedish multinational company?

Based on the empirical findings, the development of motivation mechanisms is a process in which several parts of the organization are involved. These include the HR department, the HR managers and the local group managers. The HR representatives of the case companies state that an important part of the process is to involve the employees through annual surveys, employee evaluation and communication. They further state that the obtained results are used as foundation for the development of motivators. Another important aspect in this process is the usage of subjective and objective parameters for performance evaluation. These parameters measure the level of commitment and can therefore be of use in order to determine in which areas motivators are needed.

Motivation mechanisms are developed in order to promote performance which is in line with the company's overall business plan and its core values. These factors constitute a foundation upon which the motivators are based. The goal is to make the employees strive for achieving shared company objectives. It is therefore important that all units have continuous dialogues and collaborate to develop motivation mechanisms which contribute to satisfied and committed employees which in turn contribute to the success of the company.

Are motivation mechanisms within a Swedish multinational company settled with regard to local adaptation or global standardization?

In some cases motivation mechanisms are developed on a global level whereas in others, they are developed locally. The objective is to establish the most suitable and effective motivators for each environment in which the company operates. Hence, motivation mechanisms are settled with regard to both local adaptation and global standardization. However, to what extent the motivators are adapted locally seems to vary between corporations. Regarding adaptation, companies seem unwilling to adapt motivation mechanisms to an individual level. This is due to that there is a risk that individual compensation would become dependent on an individual's ability to negotiate rather than based on her actual performance. Hence, such a system might become de-motivating.

Due to cultural differences, there is always a need for adaptation but companies must balance local adaptation and standardization in order for the motivators to work as efficiently as possible. Local adaptation is desirable as far as it does not violate company standards and values. An additional factor constraining the adaptation of motivators is monetary restrictions. The costs of locally adapting motivation mechanisms must not exceed the benefits of doing so.

How are national cultural differences taken into consideration when motivation mechanisms within a Swedish multinational company are settled?

Based on the empirical findings, national cultural differences are taken into consideration to various extents within the investigated companies depending on the respective company and its corporate values. It has therefore been discovered that the settlement of motivation mechanisms is handled somewhat differently among corporations. For certain companies, this practice is handled primarily on a central level. For others, a lot of freedom to develop and implement suitable motivation mechanisms is given to local managers with knowledge of the local culture. However, according to the representatives of the examined companies, when developing motivation mechanisms it is important that the motivators do not contradict the company's core values and established standards. This is due to that although it operates in an international context, the organization must remain as one.

An example which illustrates this is that the case company Truck Co does not step away from gender equality and respect for the individual when developing motivation mechanisms in countries where the national culture might contradict these values. Hence, national culture is an important aspect but not the sole determinant when settling motivation mechanisms on a multinational level. Multinational firms seem to adapt their motivation mechanisms as long as these do not diverge from company principles. It could be argued that the main challenge therefore is to find a balance between adaptation and standardization.

6.2 A reflection upon the obtained results

First, regarding how national cultural differences are taken into consideration when motivating employees, the authors conclude that companies seem to be aware of what impact national culture has on their employees. However, the authors question why companies seem to acknowledge the importance of national cultural aspects while providing such few concrete examples of how these aspects affect the settlement of motivation mechanisms in practice. According to the above discussion, one might get the impression that the examined companies underestimate the importance of having knowledge of national culture. Such neglect of knowledge could harm both the company as well as its employees, thus resulting in misunderstandings and dissatisfaction, restraining the process of making the organization run smoothly.

The deeper insight a company's managers have in local cultures, the greater their understanding for taking cultural variations into consideration appear to be. The authors conclude that by being locally present and observant, the management of multinational companies gains knowledge of the local culture, its values and norms and thereby how to motivate employees in the most effective way. Moreover, companies putting a lot of effort into gaining insight in the cultural values of their various markets might not be influenced by cultural prejudices to the same extent, thus avoiding the risk of failure if establishing practices on the basis of these prejudices. By being locally present, the management gets a perception of what people value, thus companies might avoid the risk of losing useful information which could have contributed to their success.

However, one can question why companies choose not to adapt motivation mechanisms to national cultural differences. The reason might be that employees at MNCs work together across national borders to such a large extent that motivation mechanisms based upon national

culture are not practically viable. This study, as well as earlier research conducted by for example Van der Stede (2003), have come to conclude that national cultural differences are not fully taken into consideration when settling motivation mechanisms within a multinational corporation. National culture might thus not be a factor that has been overlooked, but instead it might be that individually adapted motivation mechanisms are not practicable due to the fact that an MNC's work environment is often highly culturally intertwined. With regard to this insight, it might not be worthwhile to settle motivation mechanisms based upon cultural impacts in every context. For work teams consisting of employees of different national cultural backgrounds, other aspects than national culture may carry more weight when settling motivation mechanisms that spur motivation and performance, whereas for work teams consisting of employees of the same national cultural background, national culture may be the most important aspect.

Second, concerning the development of motivation mechanisms within Swedish multinational companies, the system for developing these within a company seems to be fragmented rather than standardized. This assumption is based on that the examination shows that local managers seem to have a great freedom in the process of developing motivators. The motivation mechanisms are often developed independently at each subsidiary, meaning that managers do not seem to have much insight in their international counterparts' ways of doing this, especially in the case of Truck Co. Furthermore, the process seems to differ between companies which are globally present as well. From these insights, the authors cannot draw the conclusion that there are general systems for multinational companies in particular regarding the development of motivation mechanisms.

Last, concerning to what extent motivation mechanisms are settled with regard to local adaptation or global standardization, it depends on a corporation's interest in taking the national cultural aspect into consideration as well as its resources and abilities for doing so. The investigation has discovered that companies seem to adapt to national cultural preferences to various extents. Rather important aspects restraining a firm's ability to fully adapt to local preferences have also been noticed. Such restraints have been of monetary as well as of ethical character, meaning that it seems to be of importance for companies to ensure that local practices do not diverge too much from corporate standards and principles.

Although national culture seems to have great impact on people, the authors believe that one cannot generalize and judge everyone alike since people differ on an individual level. Therefore, in theory, one could argue that it would be optimal to adapt motivation mechanisms to each individual. The authors however see a dilemma associated with adapting motivators to this extent, since it would be difficult, nearly impossible for corporations to do this in practice. An aspect that multinational companies need to take into consideration is therefore whether or not the benefits of such a system exceed the costs. Due to restrictions such as lack of time and other resources, companies do not seem to individually adapt motivators.

6.3 Recommendations for Swedish multinational companies

In this examination, the authors have come to notice the importance of taking national cultural aspects into consideration. However, it seems like many companies only tend to reach half way in this process. Both the examined corporations conduct annual employee surveys with the purpose of partly discovering problem areas within the organization that need to be addressed, partly by getting an insight into employees' perception of the company and its practices. However, one can question whether the results obtained from the surveys are actually used for this purpose or if the surveys are conducted simply because it is regarded as customary among multinational companies. The authors' recommendation for multinational companies would therefore be to thoroughly evaluate and fully make use of surveys in order to establish appropriate HR processes. Otherwise, the authors believe that it is of little use and a waste of scarce resources to do these types of evaluations if the results are not valued and considered in practice.

Regarding the fact that multinational companies today operate in a very competitive environment, the authors believe that it is of great importance to gain knowledge of other cultures and to combine insights from different cultural contexts, as this might contribute to creating the most efficient organization possible. Further, one must not forget that employees' perceptions of their employers are often transferred externally. Thus, regarding motivation, the authors argue that companies should put focus on developing suitable motivators which create satisfaction and trigger the employees to perform. This might not only increase the level of performance within the organization, but it might further contribute to increasing a company's goodwill and external reputation. Hence, the authors believe that acknowledging

the importance of national cultural differences and preferences is something that corporations would benefit from in the long run.

6.4 Propositions for further investigation

Due to the lack of time as well as the narrow scope of this study, the data obtained was found to be very limited, thus no general conclusions could be drawn. This study can instead be regarded as an illustrative example of how multinational companies can handle motivation practices. Thus, the authors would like a more comprehensive investigation to be conducted within the area. The authors suggest that such an examination could be based on another way of obtaining empirical data. This could be done by face-to-face interviews with a larger number of respondents as well as with respondents not just including managers but also employees of different subsidiaries and job positions. In this way, the investigation would provide more in depth information regarding the employees' perception of motivation, their opinions about national cultural impacts and to what extent managers take national cultural differences into consideration in practice. Such a deepened analysis could further increase the level of validity of this type of examination.

Another way of obtaining data is if the researcher gains insight in the practical development of motivators, by for example being present at the company and observing this process. This method could reduce the risk of obtaining distorted and subjective information as opposed to conducting an interview where the information given is dependent on and determined by the interviewee. In order to increase the scope of the study, the authors would recommend an investigation of multinational companies of different countries of origin and sizes, operating within different industries. Since the authors believe that all of these components are contributing factors to how motivators are developed and implemented, such a study would probably be even more illustrative and provide more all-embracing results.

When collecting empirical data, Anderson at Truck Co informed the authors of her view of the concept of motivation and the fact that she does not include engagement in her definition of motivation. Prior to speaking with Anderson, the authors defined motivation as a generic term in which engagement was included. However, after the interview with Anderson, the authors agree upon her reasoning that motivation and engagement can in fact be referred to as two different terms. Distinguishing these two terms from each other facilitates the discussion and the study of the subject. In addition, the authors believe that multinational

companies could benefit from distinguishing these terms from each other in their work on improving employee performance. Further, Anderson's argument that engagement, as opposed to motivation, is not dependent on an individual's cultural background might be important for companies to acknowledge when investigating how to make an employee feel committed. If companies were to implement universal engagement mechanisms, the dilemma of trying to find motivators suitable for different national cultural contexts could be circumvented. With regard to this discussion, it would be of interest to explore the outcome of a study in which companies take engagement into consideration and develop mechanisms with the purpose of triggering engagement. Thus, the authors would find it interesting if further research was conducted within this area.

Throughout this examination and particularly during the interviews, the concept of corporate culture and its impacts has been thoroughly discussed. The subject surfaced when the authors asked the interviewees for profound information about what motivation mechanisms are based upon. The interviewees explained that motivation mechanisms are based upon corporate values to a great extent which in turn are a part of the overall corporate culture. The authors have come to question this statement since it can be assumed that these corporate values must stem from somewhere. The fact that the national cultural values of a company's country of origin might strongly affect the culture developed within the company is something which should not be neglected. The authors believe that national culture and corporate culture are closely intertwined and that it is therefore difficult to distinguish the two concepts from each other. This is an all-embracing subject which the authors recommend to be further investigated. However this is not the purpose of this specific study.

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Appendix 1

Phone interview with Patrik Bengtsson*, Husqvarna April 11, 2011.

* Patrik Bengtsson is a fictive name.

About Patrik Bengtsson

I studied the HR management programme as well as business administration in Östersund and graduated during the economic boom in 1998-1999. I started my career at AstraZeneca where I worked for about eight years, first in a role as a specialist responsible for educational training and later as human resources generalist and thereafter as HR manager.

Thereafter I was made responsible for Talent Management involving the processes of performance control, leadership development and employee evaluation and communication at Husqvarna. Together with a colleague who is responsible for Compensation Management we are globally responsible for the HR processes of the company. I am also globally responsible for the operative responsibility of employees, therefore I believe that I have good knowledge and overview of the different processes and practices of the HR department at Husqvarna.

Ways of measuring motivation

Motivation is measured through a specific employee survey which is conducted once a year in which every employee answers questions about how they perceive their work assignments, their boss and the management team. In addition to the employee survey, external surveys are conducted in which the same questions are posed in order to examine whether there is a discrepancy between employees' and the public perception of the company.

The results from the employee survey are then used to help the boss and the management team to understand how to be concrete when delegating goals, but also to guide the employees by providing the right information. The results also give an insight into employees' perception of the coaching and feedback they are given in order to help them develop. The information obtained from the survey can be used for research purposes for the HR department in order to investigate how company managers should express themselves clearly and provide the employees with explicit goals, opportunities for personal development and responsibility to create commitment which leads to higher productivity –which is what the company primary strives for.

Motivation mechanisms

The employees of Husqvarna are divided into three different categories depending on their work performance (this is something that we do not tell the employees about). 80-85% of the employees perform as expected and fall into category B. In this group, focus is mainly put on developing the employee in his/her current job. This is done by offering relevant job training within the employee's own work area to increase performance. Few but yet some new tasks are also introduced continuously in order for the employees to be updated within their area of expertise. The company makes sure that these people have a just salary which reflects on their performance as well as that they receive concrete feedback regarding their performance.

Those who do not continually live up to Husqvarna's expectations fall into category C. The company adapts their work tasks to their strengths to some extent and in some cases reduces the amount of work to a more manageable level. In addition, these employees are given a "performance improvement plan" including repeated follow-ups, communication, explicit goals and feedback. As a carrot, they are provided with clear goals and at the same time they are informed about the consequences of insufficient performance, working as the stick.

The A category consists of those who perform very well. These employees are often provided with greater responsibility and a pay structure aimed for attracting this group to stay within the company in order for Husqvarna to keep this competence and prevent the employees from turning to competitors. When possible, this category also receives a more flexible bonus system compared to that of other employees, although this is not possible in all countries. The company provides employees of this category with interesting work tasks as well as relevant education. They are kept "up-to-date" through conferences, courses and so forth.

Corporate culture

It is difficult to talk about a corporate culture of Husqvarna since the company was part of the Electrolux group until 2006, thus the current company structure is fairly new. The core values of the new company Husqvarna which have been outlined are customer first, professionalism and team work.

After Husqvarna was formed, a period of rapid expansion through acquisitions started. This resulted in a more diffuse corporate culture due to the fact that corporate integration was not very prioritized at that time. Today the company's culture is multifaceted due to this quick

expansion. Culture is not a phenomenon in itself but rather a product of the behavior of managers and employees. Global processes are the driving force behind the behavior of employees and managers which in turn the corporate culture.

Processes concerning for example flexible pay-systems, how to handle over- as well as underachievers and how managers should conduct employee evaluations are developed on a global level by the HR department. The corporate culture is currently under development, therefore it is not yet clearly defined. However, in five years we will probably have developed a strong culture since the company is now working hard to establish one. Corporate culture is created through common processes and procedures, ranging from product development to employee evaluation and the philosophy concerning rewards and companionship. Earlier, these procedures were more fragmented but more and more focus has been put on these issues.

Adaptation vs. standardization

Being a multinational company, it is hard to adapt to local national cultures and practices without compromising too much with the company's core values. There is however often a strong need for adapting for example compensation to local practices and regulations. To manage this, and assuring that the compensation system does not get too academic, managers of local subsidiaries are given freedom to set appropriate salaries etc. However, a close dialogue is held to ensure that the remuneration system is effective and provides value to the company. This flexibility has helped us to understand what works and what does not work in different parts of the world.

An example illustrating the importance of being sensitive to what motivates employees of different cultural backgrounds, is the comparison between Chinese and European interviewees: When interviewing younger Chinese people, they always talk about how their previous employer contributed to their development rather than talking about what they did for their last employer. The Chinese also focus to a great extent on monetary compensation. European interviewees on the other hand rather focus on what they did for their former employer and are more interested in non-monetary compensation such as flexibility, education and free time. To European employees, monetary compensation is regarded as more of a hygiene-factor. Another factor in which countries differ is gender equality. In Sweden, both men and women tend to have the same expectations on work and their employer whereas

in Greece, women are not expected to proceed their career after they have had children. Therefore, it is very important to be attentive and humble when dealing with how to motivate people of different nationalities.

Pro's and con's of using varying principles globally

Flexibility is something of a challenge to manage but at the same time, the advantages of flexibility outweigh its disadvantages. It is important to constantly make sure things are not done precipitately without knowing the underlying motive and possible consequences, that could lead to contra productivity. Motivators must be implemented in such a way that they do not become de-motivating and sometimes it is better to use simple and easy-to-measure parameters on a group-level instead of on the individual level. Individual influence on reward systems etc. can have an opposite effect and results may be misleading. Flexible remuneration should rather be based on the result of the entire department or group, which also makes it easier to explain the motive behind compensations to the individual. This leads to higher performance rather than individual negotiations and a better picture of the company's situation is obtained. Remuneration should be linked to the overall performance.

Researchers argue that companies should develop compensation systems which each individual has the opportunity to influence. This however, is not always applicable on practice, since there might be a risk that for example the sales department presents a misleading sales forecast, which in turn might result in fewer investments made on for example research and development due to a distorted perception of the market. Husqvarna has instead focused on developing flexible salary systems where the salary is linked to the overall performance of the company. It is therefore easier to explain the motive behind the settled salaries, resulting in a culture based on performance rather than a culture based on negotiation.

“We think we have a good plan –what is difficult is to communicate our vision to the rest of the organization”.

Appendix 2

Phone interview with Anne Anderson, Truck Co* April 29, 2011.

*Truck Co and its HR-representative Anne Anderson are fictive names.

About Anne Anderson

I work as group manager for the spare parts division which handles information and the preparation of spare parts for the bus division. Our business unit also supports other divisions within the company and is in charge of the post-market.

Personally, I lead a group which provides spare parts for the bus division and makes sure the best solution possible is offered at every occasion. This group is divided into three subdivisions operating in three different countries: Sweden, Mexico and Poland. As the head of this group, I am responsible for the communication between the group and the bus division concerning what parts are needed etc. Further, I lead and delegate the work within this group and help to create a good work environment with the right preconditions in order for the employees to do their work in a correct way.

Motivation mechanisms

We have no specific tools or processes which the different group managers are expected to use, instead it is up to each manager to decide what works best in his or her group. My way of doing this is to pay attention to and encourage every employee and to give prominence to somebody who has done something extra. I bring up good performance or achievement on our group meetings and I also make sure that an employee performing well is recognized upwards within the organization. This is done in order to spur the employees to go the extra mile.

Further, I want the employees in my group to be engaged in their work, therefore I keep a dialogue with them about what they do that is important, both in groups and individually. The best way to engage employees differs between individuals - some need one type of attention whereas others need other types. I believe this is more dependent on the individual than on his or her cultural background, but at the same time I notice both individual as well as cultural differences when comparing the three groups. They all have different ways of working based on their respective cultural context.

In Mexico, the processes are fast and informal and the culture is very *mañana*. If something important comes up, people let go of everything else. Therefore, what is started in the morning can result in something completely different by the end of the day. The work-team and the family are very important to a Mexican and socializing with colleagues during free-time is common. The culture is very group-oriented and people support each other a lot, this is something I have to take into consideration when working with, and trying to motivate and engage these people.

Sweden is much more individualistic and Swedes care to a greater extent about themselves, their own interests and their closest family. Therefore, I have to use a different approach when motivating my group in Sweden. Poland on the other hand is very hierarchic and clear instructions are needed; often step-by-step instructions with continuous follow-ups. The groups in the three different countries collaborate on different levels and this collaboration is highly dependent on the individuals involved. Different individuals in these groups want to and can collaborate to a varied extent.

For example, during this past winter we have had a Swedish woman leading a team of four other employees, two of which were from Mexico and two from Poland. The employees of this group have been working very closely together. The collaboration worked well but it was necessary for the employees involved to get to know each other in order for them to find out how to act and how to approach one another in order to avoid treading on anybody's toes. It was important to be able to keep a close dialogue within this group.

Are the same motivation mechanisms used in each of the countries?

This depends on what level we are talking about. In Poland for example, hierarchy and titles are very important. If a Polish employee is going to do some extra work which is not included in his or her regular work-load, extra pay most often accompanies and is also expected for such extra tasks. In Mexico it is more important to be recognized for the good things you do, because if you are good at what you do, you get accepted into new networks. The social aspect is what matters the most in Mexico. Now we are talking about untouchable aspects which are not tools themselves, but these are also very important aspects of motivation.

In Brazil, which I have earlier worked in close connection with, there is a constant battle among employees about being the best and perform on top. They have to show what they can

and develop their skills at all times, this is because Brazilians do not have as elaborate labor laws as for example Swedish employees do. As a consequence of this, Swedes often settle or stagnate in their personal development. In Brazil and Poland, bonuses, money and status is important, therefore employees in these countries often have individual bonus systems. In Mexico and in Sweden on the other hand, there are no individual bonus systems.

When talking about motivation, it is important not to equate motivation to engagement. If an employee said: “Ok, even though it is not fun and I would rather do something else, I’ll do it because it gives me a higher pay”, that is motivation. But I would not say that the employee is engaged. When it comes to what engages employees, I do not think that the cultural background matters, it is more about what makes the individual feel engaged and committed. Therefore, it is important to pay attention to the individual’s achievements and knowledge and to create and spur engagement from that. Engagement may be the same between individuals, but it is expressed differently. Motivation on the other hand, is more dependent on an individual’s cultural background.

How does the company find out what motivates its employees?

The company has an attitude survey which is conducted once a year, it consists of about 70 questions and is sent out for every employee to answer. The questions concern everything from how familiar the employee is of the company’s overall strategies to how he or she feels about his or her boss to health and wellness training. Until recently, the survey has been about satisfaction eg. *how satisfied are you about working for this company?* and *how satisfied are you with your work situation today?* The term satisfaction has now been changed to engagement.

The obtained results are thereafter evaluated in general on a group level since the individual answers are anonymous. If some of the answers are below the norm, a dialogue is held with group in order to discuss the reasons behind them and what can be improved. The aim of those discussions and the survey as a whole is to motivate and engage the employees. Further, the answers are evaluated from the bottom of the organization and upwards. The answers from the groups in Mexico and Poland are first reported to the local managers. Thereafter, the answers from the three groups as a total are evaluated in order to analyse the specifics of each sub-group as well as the group as a whole. Finally, the results are taken to the next level,

where I together with my colleagues and my boss, analyse what may need to be changed or improved.