Master Degree Project in Innovation and Industrial Management

Should I Stay or Should I go?

A single case study examining employee motivational factors impact on employee retention

Josephine Hantoft and Julia Boman

Abstract

Background: Today, companies are facing a continual competition amongst each other to both appeal and retain critical employees with regards to right demanded skills and talents. Outperforming organizations have been recognized to implement several employee retention strategies resulting in a motivated workforce. Hilti Svenska AB is striving to investigate how their retention strategies can be enhanced, by aiming to align employee motivational factors with employee retention strategies.

Research question: *How do employee motivational factors impact employee retention strategies at Hilti Svenska AB?*

Methodology: This study was a qualitative research with an inductive approach impacted by an iterative process. The research was executed as a single case study with data received from both semi-structured interviews and group interviews. The analysis was conducted in excel sheets by a thematic analysis approach and further displayed in tables.

Findings: A low understanding of the connection between effort, performance and reward is expressed as having a negative impact on retention in the field of compensation and benefits, as well as a perceived imbalance in regards to input versus output. For training and development, a lack of a holistic understanding, external influences, correlation with daily tasks and current market applicability, are emphasized as not motivating the workforce and hence affecting the retention negatively. Regarding leadership and management, mid managers are expressed as vital with high impact concerning motivating and recognizing employees.

Conclusion: This research concludes having a balance between input and output, as well as a clearer connection between effort, performance and reward, are the decisive motivational factors impacting current retention strategies regarding compensation and benefits the most. This means for instance via providing a balance between workload and monthly pay, by additionally aligning each task to a particular reward. Concerning training and development strategies, the crucial motivational factors of fulfilling needs and expectations are emphasized as having a strong impact on retention. These factors are such as individualized career plans and external influences. Finally, with regards to leadership and management retention strategies, the motivational factor with most impact is the fulfilling of needs, such as having managers supporting employees to enhance their performances and reach self-actualization on a daily basis.

Key words: Employee retention strategy, Employee motivational factors, Compensation and benefits, Training and development, Leadership and management, Case study, Thematic analysis

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1.Introduction

The following introduction chapter incorporates the background for this thesis, involving the current competitive business environment and how firms may work to retain employees via focusing on motivational factors. Further, the case company is introduced and a discussion of the research problem, which is the basis for this thesis purpose and research question. Moreover, clarifications are made for this thesis under delimitations, definitions and disposition.

1.1 Research Background

In today's fast-changing business landscape, companies are facing a constant competition amongst each other to attract and retain employees with the appropriate demanded knowledges, abilities and skills in order to remain profitable (Knox & Freeman, 2006; Tarique & Schuler, 2010). The business landscape generates a competitive labour market (Dahlman, 2007; Knox & Freeman, 2006) where businesses have to search for the best candidates as well as for the aspirants to first be intrigued and then to stay at the specific firm (Hiltrop, 1999; Kaliprasad, 2006). Research suggests that high performance organizations outperform their competitors in areas concerning training and development, teamwork and working culture (Tarique & Schuler, 2010). As a result, have most companies started implementing various retention strategies to maintain a stable workforce (Hiltrop, 1999).

Employee retention concerns encouraging employees to remain in an organization to ensure business effectiveness and organizational performance (Mita, Aarti & Ravneeta, 2014), as employees are seen as the most crucial and dynamic capability of any organization which skills are central in order to enable firms' competitiveness (Bidisha & Mukulesh, 2013). Previous research has identified numerous factors associated with employee retention (Mita, Aarti & Ravneeta, 2014; Kaliprasad, 2006). One approach to improve employee retention, that has been increasingly popular on the management agenda, stresses employee engagement and motivation (Hiltrop, 1999; Lockwood, 2007). Research made by Lockwood (2007) states employee engagement has the potential to contribute to organizational success, since it can have an impact on employee retention, as well as strengthen the employer brand and increase customer satisfaction. Therefore, having engaged and motivated employees is central for a company, since those employees are more likely to remain within the organization and perform better than individuals less engaged (Schaufeli & Bakker, 2004; Vance, 2006). In addition, employee turnover is a significant cost for organizations, both in terms of money and in terms of loss of competence which can cause internal instability in the company (Samuel & Chipunza, 2009). Ramlall (2004) suggests the total cost of an exempt employee is about the same amount as an individual's compensation and benefits for one year and hence a reason to actively work with employee retention.

Importantly, researchers distinguish between reasons to remain within an organization and reasons to leave, resulting in a difference in turnover and retention, which for that reason are not two sides of the same concept (Cardy & Lengnick-Hall, 2011; Christeen, 2015; Mitchell et al., 2001). This reasoning is in contrast to earlier studies arguing that intention to stay was just the opposite for reason to leave (Kim et al., 1996). A large amount of research has been conducted in the field of employee turnover, i.e., "will they go" while far less attention have been paid to "will they stay" or "why do they stay" (Cardy & Lengnick-Hall, 2011). Therefore, increases the relevance of this study and its concept from the perspective of retention strategies in relation to employee motivational factors. Resultfully, may different employee retention strategies be applied in organizations with the aim of maintaining critical employees.

Maia (2011) suggests innovative employee retention strategies in a sales and service organization, where the knowledge is mainly kept by individuals, concerns a great understanding of how job satisfaction and motivation affect employees within the organization. The research is confirmed by Knox and Freeman (2006) which also emphasize that a successful employee retention strategy must be in line with the strategic objectives of the company. The sales and manufacturing company, Hilti Svenska AB, has developed their version of an employee retention strategy which includes inspire, inform, appreciate and develop individuals and team within the company (Hilti Svenska AB, 2017). Furthermore, have three areas of retention been discussed by the case company in this thesis, i.e. Compensation & Benefits, Training & Development and Leadership & Management. Hence, emphasizing these three areas of retention as the foundation for this study further on.

1.2 Company Background

This master thesis has been conducted at Hilti Svenska AB. Hilti is a global company with more than 24 000 employees situated in over 120 countries worldwide. The majority in Sweden are working within sales, technical issues, marketing and customer service. Hilti designs and manufactures industry leading technologies, software's and services for the professional construction industry and has been doing so since 1941. From the beginning, Hilti has focused on being a sales organization, always with close contact between the purchaser and the salesmen. (Hilti Svenska AB, 2017)

As a confirmation of time and resources spent on training and improvements, Hilti has been awarded multiple times for their employer branding strategy (GPTW, 2016). The yearly investigation made by "Great place to work" helps companies to evaluate, improve and share successful factors and crucial aspects of their organization. A great place to work is characterized by well-being, pride and trust among the employees and from an organizational perspective; reaching the targeted goals, while having commitment and teamwork. (GPTW, 2016) Hilti Svenska AB has, during the last three years, topped the list of Great Place to Work.

An additional perspective is added through an internal survey conducted at Hilti, which displays the ability of the organization to engage its team members (GEOS Executive Summary, 2016). Different indicators and measurements are developed, as displayed further below:

- Say: If an employee is engaged, one speaks positively about Hilti among friends, co-workers and customers.
- Stay: If an employee is engaged, one sees its possibilities and future at the firm.
- Strive: If an employee is engaged, one feels motivated to put in extra effort in the firm. (GEOS Executive Summary, 2016)
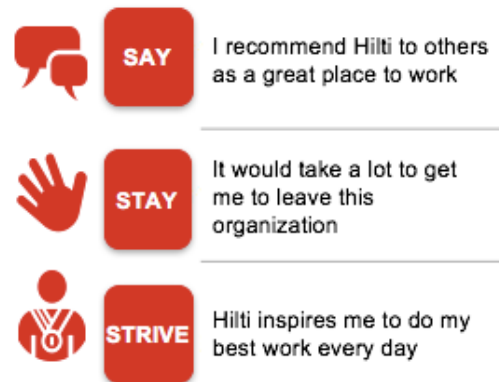
Figure 1. Hilti's strategy to engage employees.

According to GEOS (2016), has Hilti in Sweden high engagement on 79% compared to global Hilti at 70%, indicating that Hilti in Sweden runs a more successful employee retention strategy. Additionally, Hilti Sweden had a participation rate of 92% in the GEOS survey in 2016, and a division between the three parameters stating; say (85%), stay (72%) and strive (77%). Thus, the possibility arises for this study to further investigate the area within Hilti's internal investigation called stay.

1.3 Research Problem

Although presenting top score on both external (GPTW, 2014-2016), and internal employee satisfaction surveys (GEOS, 2016), Hilti Svenska AB has the latest year struggled with a higher degree of redundancies than earlier, and where employees leave the company to work for competitors. Faced with increased competition, Hilti Svenska AB has to improve their employee retention strategy in order to stay profitable and competitive. If the Leadership Team does not succeed, the company risks loose critical employees and business profitability. Hilti Svenska AB is going through a growth phase which demands an improved structure in several areas of the company. With an increased number of diversified employees, there are a widespread amount of motivational factors. To engage and retain employees, the firm's retention strategies must be based on employee motivational factors. Based on a pre-study, researchers have reasons to believe that employees are not aware of the company's employee retention objectives or what they imply. Being brought up as an issue at a Leadership Team meeting at Hilti Svenska AB, the emphasis on this research of current problem further increases. Hilti Svenska AB has initiated a process examining the factors why employees leave for other companies and exit interviews reveals a critical factor is higher pay and bonuses. Other reasoning concerns defecting leadership and lack of employee development opportunities. (Exit Interviews Hilti, 2016)

On the contrary, without knowing what factors that make employees remain within Hilti, it is not clear which aspects of employee retention strategy to focus on and what areas to improve. There could be several aspects to further investigate. Firstly, the researchers have to find out

the formulated employee retention strategy; its targets and objectives. Second, it is crucial to identify various motivational factors amongst employees. After that, researchers can give recommendation on retention strategies depending on the impacts of motivational factors identified. Finally, there could be different perceptions between the Leadership Team and employees regarding what aspects of the employee retention strategy to focus on when reducing employee turnover which has to be taken into account.

1.4 Purpose

The purpose of this thesis is to investigate the current employee retention strategy and examine how it could be improved at the sales- and manufacturing company Hilti Svenska AB. The research aims to provide the case company with concrete actions of how the employee retention strategies can be more effective by identifying, analyzing and criticizing employee motivational factors, i.e. researchers seek to identify how employee motivation impact employee retention within an organization. It requires a deep understanding of the present retention strategies at the case company. In addition, it is vital to identify and examine what motivational factors that are most influencing employee's decision to remain employed with the company. To enable giving recommendations, an overview and compilation of motivational factors from different departments within the company are necessary. Lastly, the research will contribute to an enhanced insight of how well academic theory is applicable to a real case, when it comes to explaining problems related to a company's employee retention strategy.

1.5 Research Question

How do employee motivational factors impact employee retention strategies at Hilti Svenska AB?

Background	Problem	Purpose
- Provide insight to employee retention. - A business tool to stay competitive, to grow, attract & retain the right talents. - The importance of retain talented employees and cost of turnover. Difference between reason to stay and reason to leave. - Employee retention strategies must be in line with business strategy and employee motivational factors. - An introduction of the case company.	- Hilti struggles with layoffs. - Perception of motivational factors and lack of awareness might be a problem. - Diversified motivational factors among employees. - A gap between employee motivation and retention strategies. - It seems that employees are not aware of the companys employee retention objectives or what they implies. - Problems in aligning the retention strategy with motivational factors.	- Recommend actions. - Understand and improve employee retention strategies at Hilti. - Identify, analyze and critiquing employee motivational factors with regards to employee retention. - Take into consideration both the Leadership Team and employees. - Enhanced insight of how well academic theory is applicable to a real case.

Research Question

How do employee motivational factors impact employee retention strategies at Hilti Svenska AB?

Figure 2. Illustration of the process to formulate the research question.

1.6 Definitions and abbreviations

Six definitions and abbreviations are further explained in order to improve the readiness and the holistic picture of this thesis.

- PMP goals, are goals set globally towards Hilti Svenska AB and then divided further below into each position and employee at Hilti. The employee's salary increase each year is based on these goals and dependent on if one employee is above, meet or below the goals.
- E1 region, is composed of five Hilti countries i.e. Ireland, Denmark, Norway, Great Britain and Sweden.
- MO, means Market Organization, for instance is Hilti Sweden AB called MO SE in the Hilti sphere.
- ASM, stands for Area Sales Manager and incorporates managers for a specific sales team with 6-8 account managers.
- AM, is an abbreviation of Account Manager i.e. the sales personnel.
- LT, is short for Leadership Team i.e. top management in Sweden.

1.7 Scope and delimitations

Employee retention strategies include aspects in the fields of recruiting and retaining the best employees, resulting in benefits for both the people and the firm (Knox & Freeman, 2006; Dahlman, 2007). Currently, according to external and internal surveys (GPTW, 2014-2016; GEOS 2016), is Hilti better at recruiting and attracting new employees, while needing an improvement due to challenges in retaining employees (Exit Interviews, 2016).

This reasoning generates the following limitation to this study, namely to exclude recruiting aspects and thus, focusing only on retention of critical employees. Another limitation is to exclude areas around corporate culture, since conducted Exit Interviews (2016) reveals that few employees are leaving because of people and culture.

Furthermore, the choice is made to not interview employees who have left the firm while instead focusing on current employees and their motivational factors, in order to elaborate on Hilti's current employee retention strategies further on. Additionally, are reasons to leave not the opposite for reasons to stay, hence strengthening the focus on employees still working at the firm. As already revealed, access to Exit Interviews (2016) conducted at Hilti with employees leaving the firm, strengthen and enables this choice of limiting the study.

1.8 Disposition

This thesis is divided into seven chapters and is structured the following way:

Introduction	• Introduction to the research topic, presentation of case company • Problem formulation and purpose • Formulation of research question, abbreviations and delimitations
Literature Review	• Employee retention strategies (Compensation & Benefits, Training & Development, Leadership & Management • Employee motivational theories (Need theories, Expectancy theory and Equity theory)
Method	• Research Strategy and Research Design • Data Collection • Data Analysis and Quality Criteria
Pre-study	• Findings from interviews with Leadership Team • Findings from Exit interviews
Empricial Findings	• Findings from interviews conducted with Hilti employees
Analysis	• Analysis of theoretical framework and empirical findings
Conclusion	• Conclude how employee motivational factors impact employee retention strategies at Hilti Svenska AB • Recommendations to the case company and suggestions for future research

Figure 3. Disposition of the thesis.

2. Literature Review

In order to construct a theoretical framework for this research, a systematic literature review has been conducted. The two main areas in this thesis are employee retention strategies and employee motivational theories. The focus of these theoretical frameworks is based on the pre-study and justified in the delimitation section of this thesis.

2.1 Employee Retention Strategies

During the latest years, it has been increasingly popular for firms to adopt systematic strategies to keep and leverage employee knowledge in order to protect the firm's most valuable resource, i.e. employees. Employee retention strategies concern recruiting and retaining the best employees in order for the firm to reap the benefits for both the organization and its people. (Dahlman, 2007; Knox & Freeman, 2006) Research conclude, that employee retention strategies may be seen as a strategic tool to enable the company to stay economically competitive (Das, 2013; Hiltrop, 1999; Leekha Chhabra & Sharma, 2014). After distinguishing employees as the most powerful resource in a company, there are various ways and opportunities available for human resources departments and top management to manage this resource (Leekha Chhabra & Sharma, 2014).

A large amount of research has been conducted in the area of employee retention strategies and practices (Christeen, 2015; Dahlman, 2007; Das, 2013; Knox & Freeman, 2006). Capelli (2000) states factors that have direct impact on employee retention such as career opportunities, work environment, organizational justice and culture, work-life balance and existing leave policy. In addition, organizational commitment, i.e. when employees feel the sense of pride and work to their full potential, is an important factor contributing to loyal employee retention (Das, 2013).

Based on findings, retaining employees is vital for organizational performance, hence, it appears motivated to examine how such retaining strategy could be developed. This study has focused on three main areas concerning retention all brought up in the pre-study, namely Compensation & Benefits, Training & Development and Leadership & Management, which further will be discussed. The focus has been on factors for a successful retention strategy within these three areas, since those three areas was discussed by Hilti in the pre-study as fields possible to scrutinize in order to improve retention.

2.1.1 Compensation and Benefits

Compensations such as rewards, have always been seen as one of the most decisive tools in creating motivation for employees as well as it is a continued and complicated issue amongst organizations (Werner & Ward, 2004). The crucial aspect of any compensation strategy is the relationship between performance and reward. It means the processes the firm uses for rewarding their workers in accordance with their performance. (Güngör, 2011) For that

reason, an effective compensation plan involves procedures that will attract, retain and motivate employees (Decenzo & Robbins, 2007). Importantly, compensation is a factor causing dissatisfaction among employees and thus, vital in a firm's retention strategies (Bhatnagar, 2007).

Compensation and benefit packages that are competitive in relation to the overall market has the purpose to motivate employees to perform better (Merchant & Van der Stede, 2012). In contrast, Mita, Aarti and Ravneeta (2014) argue that a valued employee should be paid at least the same salary than industry average to make individuals remain with the company. Although, a retention strategy founded on high salaries can leave undesired side effects. It could lead to employees being frightened to leave, which in turn makes it difficult for the company to develop and invest in crucial individuals (Mita, Aarti & Ravneeta, 2014).

With regards to employee compensation, Dessler (2008) argues there are two broad ways of categorizing compensation; namely a job-based approach and a skill-based approach where the first one is the most traditional and widespread method of designing compensation plans. The job-based approach states not all jobs in the firm are equally important and therefore, the plan assumes all jobs are well defined and titled (Dessler, 2008). DeNisi and Griffin (2008) suggest it involves companies pay-for-knowledge, meaning they compensate employees for learning specific information. In comparison, Milkovich et al., (2013) refer to the job-based approach as paying individuals not for the skills they possess but rather for conducting a specific task. On the other hand, the skill-based approach acknowledges that people should not be paid for the title they hold but for how competent they are at performing a work task and the greater variety of skills an individual possess, hence the more they are paid (Mitra, Gupta & Shaw, 2011). Therefore, does the skill-based approach pay employees for acquiring skills (DeNisi & Griffin, 2018). According to Milkovich et al., (2013) a skill-based compensation plan pays the individual for all the skills they have been certified, regardless of what or how many the work requires.

The job-based pay appears to be more simple with regards to understanding and administration (Milkovich et al., 2013; DeNisi & Griffin, 2008; Mitra, Gupta & Shaw, 2011). It is a predictable method of pay which makes it easier for employees to plan the future. The strategy benefits long-term employees and there is less room for unfairness and discriminatory within the same job-title as pay is structured by the job. (Mitra, Gupta & Shaw, 2011) Nevertheless, the job-based approach is a disadvantage for employees who have a low degree of motivation for promotion, there is little incentives to gain new skills when the job is based on the title (DeNisi & Griffin, 2008). Also, employees can get frustrated when performing at higher levels and get similar pay as co-workers. The system also causes complications for corporate politics as the only way of develop and increase salary are through hierarchical career advancement. (Dessler, 2008)

According to Wah (2000) and Meyer et al., (2001) reward packages play a vital role for the company's strategic development regarding performance and profitability as it might influence individuals work motivation and employee engagement. The reward package

consists of financial payment, meaning salary and bonus, as well as non-financial payment called benefits. Benefits can be described as a payment to a third party on behalf of the employee, e.g. company car and insurances, where the employee does not receive the benefit in cash payment. (Wah, 2000; Meyer et al., 2001) According to research (Wah, 2000; Meyer et al., 2001), reward packages can influence organizational performance and profitability. However, it is vital for organizations to identify which benefits most influence employee retention and hence, revise present benefit package in order to replace those benefits that are, based on employee's opinion, not useful (Irshad & Afridi, 2012). It aligns with Decenzo and Robbins (2007) arguments that today's workers expect more from the employer than just a competitive salary, they demand additional rewards contributing to a more attractive working experience. Bernardin (2003) states that benefits are a tool to retain employees and improve working life for the employees. Although, researchers are unanimously agreed on the weight and importance of compensation on employee retention, Decenzo and Robbins (2007) discusses the irony with benefits, since they do not affect worker's performance as most of the benefits are member-based offers, not based on performance. Removal or lack of benefits contribute to dissatisfaction and increased turnover rate among employees. Regardless if benefits do not enhance productivity, it is a powerful tool within retention as it improves the quality of life for employees. Unless benefits are communicated in the right way to the right audience, time and money invested would not yield the desired results. (Armstrong, 2006)

2.1.2 Training and Development

Training of individuals aims to improve employee performance and is considered vital for an organization to stay competitive while profitable in today's competitive labour market (Tai, 2006). Research depicts a positive correlation between promotions and job satisfaction (Rolfe, 2005) and therefore, does career advancement possibilities appears as one of the most successful employee retention strategies (Hiltrop, 1999; Horwitz et al., 2003). Findings by Greller (2006) conclude when employees picture career advancement as their main motivational factor they remain with the organization as a way to advance in their career. Mita et al., (2014) state that career development opportunities have a higher impact on employee retention than financial rewards. Similarly, a study conducted by Dessler (2008) illustrates that employers who show interest in long-term career development generates engaged employees. The logic behind this thinking appears to be satisfaction of individual needs, skills and abilities (Dessler, 2008). Employees are attracted by an employer that can satisfy those needs and if failing to provide satisfaction, the commitment level tends to be reduced and employees are more likely to leave the organization (Ramlall, 2001). Employees have to be aware of if the employer offers career development opportunities to be able to explore them and improve individual competitiveness (Irshad & Afridi, 2012). Accordingly, employees are dependent on career advancement to strengthen their competencies and stay motivated (Prince, 2005). In relation to career advancement, the study by Prince (2005) reveals career advancement opportunities such as advancement plans, internal promotion and accurate career previews have to be communicated at the time of hiring to enhance employee organizational engagement.

Training programs is a way to strengthen the bond with employees, and which are beneficial for the company in many ways, such as playing an important role for building and maintaining capabilities, both on individual and organizational level which in turn contributes to the process of organizational performance (Valle et al., 2000). In addition, it has the ability to increase employee motivation and performance (Elnaga & Imran, 2013). The explanation of why training and development of individuals improve a company's employee retention is discussed by Deery (2008) who argues investment in continuous training lead to organizational devotion and commitment which in turn impact an employee's decision to remain with or leave the company. Elnaga and Imran (2013) argue that workers who feel unable to perform a work task on a desirable level are more likely to leave the firm and therefore, is training an important tool for motivating employees and making them feel appreciated by managers. On the contrary, Wright et al., (2011) state that training do not necessarily have to be correlated with employee retention and vice versa. HR practices focusing on motivating and empowering employees tend to foster employee commitment and reduce the individual's tendency to leave. However, practices aiming to improve in house skills and develop current employees can contribute to increased turnover if lacking commitment features. (Wright et al., 2011) Rowden (2002) states training as an efficient tool for improving job satisfaction since better performance leads to management appreciation but in order for training programs to be efficient, the foundation is individual motivation.

Elnaga and Imran (2013) conclude a common pitfall when companies design training programs are the missing knowledge about the real purpose and objectives of the program, i.e. companies do not identify what knowledge, skills and abilities employees want to achieve with the program and how it could be translated to practical work tasks. For companies that invest in training and development programs, it is critical to communicate the benefits an intervention provides in order to develop motivated employees (Ramlall, 2004). Therefore, must organizations design training programs based on clear identified needs and motivational factors of the individual. Likewise, Irshad and Afridi (2012) conclude transparency and awareness are the key to avoid such pitfall.

2.1.3 Leadership and Management

The role of management is seen as a key success factor in retention of critical employees cited by several researchers (e.g. Christeen, 2015; Eisenberger et al., 2002; Noah, 2008). Retention strategies in leadership and management concern aspects such as organizational justice, involvement in decision processes, group processes and leadership style. A study reveals leadership challenges, especially when managers lack interest in employee career development, as the main reason why employees leave the company (Michael, 2002). That make leadership and management interesting to study from an academic point of view.

Management impact on employee retention can be viewed from two perspectives; leadership style and management support (Christeen, 2015). In addition, Hewitt (2002) argues that involving employees to participate in decision-making appears to be a successful strategy in order exploit individuals' skills and where Kossivi et al., (2016) state that such participation is

a motivational factor contributing to employees remaining with the organization. Similarly, Noah (2008) found out that employee involvement in decision making processes creates a sense of belongingness, which in turn strengthens the employee-employer relationship and contributes to a good working environment.

A study conducted by Irshad and Afridi (2012) recognizes leadership style as a decisive factor in employee retention. The branding of the company is reflected in the relationship between manager and employee as leaders are the human face of a firm. This was suggested already back in the 90's, by Eisenberger et al., (2002) who stated that employee performance is a correlation with feedback and support from supervisor. According to Kroon and Freese (2013), a participative leadership style is a contributing factor of employee retention. Likewise, Irshad and Afridi (2012) argue that employees leave the leaders and not jobs which make manager support essential in terms of retention as well. Sillbert (2005) states effective leadership, where different forms of tangible rewards and acknowledgements take place, is a necessity when carrying out a successful retention strategy. The same study reveals tangible rewards as an effective tool to increase perceived organizational support which in turn contribute to organizational commitment and reduced turnover. However, the rewards must be desirable from an employee point of view and therefore, does the firm need to identify individual motivational factors (Silbert, 2005).

Another important aspect in management strategies are organizational justice (distributive and procedural justice) that imply fair and ethical correct employee treatment within the firm (Cropanzano, 1993). A study by Hendrix et al., (1998) conclude justice as linked to workplace motivation be revealing a direct correlation between job satisfaction and commitment. When employees perceive a higher degree of justice, they are more likely to remain with the firm (Hendrix et al., 1998). However, justice differs in its definition between daily life and organizational research. In an organizational context, justice is a social construction which means equity and fairness is reached if perceived by the employees. (Cropanzano & Greenberg, 1997) Adams (1963) framework about equity theory aims to operationalize distributive justice by discussing that employees compare their input versus output with other employees in order to determine organizational justice. It means that employees respond to fair or unfair distribution of reward with satisfied or dissatisfied attitudes (Irshad & Afridi, 2012). A study by Kossivi et al., (2016) conclude the level of satisfaction determines work motivation and impact the employee's decisions concerning remaining or leaving the company.

In addition to Adams (1963) framework regarding the equity rule, Leventhal (1976) added other components affecting organizational equity, namely; equality and need. According to Adams (1965) employees receive same or equal output, while Leventhal (1976) argues individuals instead should receive outcome based on need. The distributive justice is mainly maintained by the HR department responsible for creating compensation plans and reward schemes, i.e. it discusses the fairness of the outcome. However, research shows that distributive justice is not sufficient enough to achieve organizational justice because individuals are not only concerned with the outcome of rewards but also about the process of

allocation (Irshad & Afridi, 2012). Procedural justice suggest a company has to have processes in place to allocate the resources to design a compensation plan or pay raise (Hendrix et al., 1998), i.e. structural elements impact employees perception of justice (Leventhal, 1976). Procedural justice differs from distributive justice as the former distinguish the fairness of procedures followed by the firm for distributing and allocating of rewards, where also employees are allowed to participate in the process of distribution (Colquitt, 2001).

2.1.4 Summary of Employee Retention Strategies

Theoretical Framework	Key Takeaways	Researchers
Retention strategies	• Strategic tool to stay competitive. • Keep and leverage employee knowledge. • Factors impacting employee retention - training, organizational justice, leadership.	Dahlman, 2007; Knox & Freeman, 2006; Das, 2013; Hiltrop, 1999; Leekha Chhabra & Sharma, 2014; Christeen, 2015; Capelli, 2000
Compensation & Benefits	• Important tool for motivating employees. • Emphasize the relationship between performance and reward. • Competitive salaries vital for retaining employees. • Job-based and skill-based approach on how to categorize compensation. • Financial and non-financial benefits impact motivation. • Communication of rewards to yield desired results.	Werner & Ward, 2004; Güngör, 2011; Decenzo & Robbins, 2007; Bhatnagar, 2007; Mita, Aarti & Ravneeta, 2014; Dessler, 2008; DeNisi & Griffin, 2008; Milkovich et al., 2013; Mitra, Gupta & Shaw, 2011; Wah, 2000; Meyer et al., 2001; Irshad & Afridi, 2012; Bernardin, 2003; Armstrong, 2006
Training & Development	• Strategy to improve organizational performance and stay competitive. • Positive correlation between promotions and job satisfaction. • Career development opportunities generates long-term committed and motivated employees. • Training programs build and maintain capabilities. • Training programs must communicate goals and objectives to create motivated employees. • Pitfalls with training programs.	Tai, 2006; Rolfe, 2005; Hiltrop, 1999; Dessler, 2008; Greller, 2006; Mita, Aarti & Ravneeta, 2014; Ramlall, 2001, 2004; Irshad & Afridi, 2012; Prince, 2005; Valle et al., 2000; Elnaga & Imran, 2013; Deery, 2008; Wright et al., 2011; Rowden, 2002
Leadership & Management	• A key success factor for employee retention. • Leadership style, management support and feedback. • Participating in decision-making. • Effective leadership → individualized leadership with different forms of acknowledgement. • Transparency with information, clear mutual expectations. • Organizational justice → distributive and procedural justice.	Christeen, 2015; Eisenberger et al, 2002; Noah, 2008; Michael, 2002; Hewitt, 2002; Kossivi et al, 2016; Irshad & Afridi, 2012; Kroon & Freese, 2013; Silbert, 2005; Cropanzano, 1993; Hendrix et al., 1998; Cropanzano & Greenberg, 1997; Adams, 1963; Leventhal, 1976; Colquitt, 2001

Table 1. Summary of theoretical framework – employee retention strategies.

2.2 Theories on Employee Motivation

Compensation & Benefits, Training & Development and Leadership & Management, are factors contributing to an employee's decision to remain or leave the organization. The next part of the literature review describes motivation theories and what impact motivation has on employee retention. As employees are seen as the most valuable capability in many firms, it is vital for the employer to identify what motivates the employees in order to make them stay within the organization (Kaliprasad, 2006).

There is a large amount of motivational theories. This study has investigated the most relevant theories in the field of motivation with regards to employee motivation and how it may impact employee commitment in an organization. Four methods of explaining behaviour; needs, reinforcement, cognition and job characteristics, have been examined extensively in the study by Kreitner and Kinicki (2002) and Ramlall (2001; 2004). These methods provided a basis for the three motivational theories used in this study, i.e. need theory, equity theory and expectancy theory, which all aim to emphasize the importance of employee motivation in the situation of employee retention. In order to narrow down this study and to get into depth, the limitation of these three and not the fourth motivational theory was conducted. Furthermore, the theoretical framework incorporates the historical development of above mentioned theories as well as the main criticism towards each framework.

2.2.1 Need Theories

2.2.1.1 Maslow's Need Hierarchy Theory

Need theories are explaining internal components which motivates employee behaviour (Ramlall, 2004). These needs may transform over time due to effects of environmental aspects, where the first and probably most recognized theory are Maslow's need hierarchy theory (1943). Maslow (1943) states five basic needs which are interrelated in a pyramid where human beings aim to reach the top of the pyramid, namely self-actualization. This pyramid contains the needs called physiological, safety, love, esteem and self-actualization. In order to operationalize the need hierarchy theory by Maslow (1943), Champagne and McAfee (1989) stated how one more specifically may satisfy these needs at a workplace for an employee. These needs are explained as:

1. Physiological, such as vendor machines, parking or lunches.
2. Security, which can be economical, via salaries and bonuses, psychological, as awards and solving employees' problems, and finally physical i.e. working conditions such as heating and ventilation as well as breaks.
3. Affiliation, through encouraging employees and creating team spirits.
4. Esteem, via having challenging jobs by training, delegating and participating.
5. Self-actualization, by means of training and encouragement of creativity.

As a result, it is not always financial expensive to fulfil these needs explained by Champagne and McAfee (1989) for motivating employees. Maslow (1943) argues that the bottom of the pyramid concerns basic needs, the middle incorporates psychological needs and while the top

is about self-fulfilment. Further, Armstrong (2006) argues that the lower part of the pyramid is aligned with need fulfilment outside the employee, such as environment or interpersonal contact. To transform the pyramid of Maslow into current employee situations, the significance of understanding the fluctuating needs of each employee occurs (Butkus & Green, 1999), hence, a manager needs to realize the hierarchy to which the worker belongs (Kuranchie-Mensah & Amponsah-Tawiah, 2016). As a result, may managers find possible ways to motivate their employees by focusing on upcoming or unmet needs in the pyramid.

2.2.1.2 Herzberg's two-factor model

One of the most famous researchers and psychologists in the motivation area, is Herzberg via defining the two-factor model. Although this framework originated over 50 years ago, Bassett-Jones and Lloyd (2005) state that it is still relevant in the contemporary business sphere. Herzberg's (1959) simplifies Maslow's (1943) need hierarchy theory by organizing the bottom of the pyramid into hygiene factors and top into motivational factors. The factors which affects motivation are both existing independent of each other (Herzberg et al., 1959). Characteristics of hygiene factors are extrinsic segments which displays dissatisfaction for the employee if they are not met (Herzberg et al., 1959). These extrinsic components may be salary, relations to colleagues, working conditions, policies, administration, compensation and supervision (Gawel, 1997). In opposite, are motivator factors (Herzberg et al., 1959) intrinsic since it involves components such as recognition, responsibility, achievement and development. By only focusing on and fulfilling hygiene factors, one will not create satisfaction since these factors only eliminate the dissatisfaction. It will not automatically result in satisfaction, which then makes the motivator factors significant for motivation purposes. (Herzberg et al., 1959; Gawel, 1997; Utley et al., 1997; Bassett-Jones & Lloyd; 2005) In contrast, may motivational factors not lower motivation, instead it can be seen as liable for enhancing motivation (Herzberg et al., 1959; Utley et al., 1997). Individuals get motivated and achieves job satisfaction if accomplished tasks at work are building on employees' confidence which results in an ongoing improvement and development at the specific workplace (Utley et al., 1997).
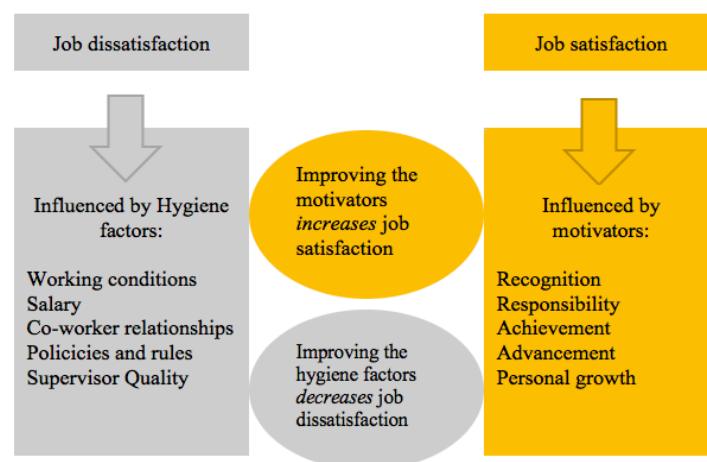
Figure 4. Herzberg's two-factor model with hygiene factors and motivators.

The figure illustrates Herzberg's two-factor model and its components i.e. explaining the difference between job dissatisfaction and job satisfaction.

The intrinsic components have for a long time been viewed as vital when determine motivation. A debate exists whether hygiene components i.e. extrinsic factors really influence and affects job satisfaction and hence, motivation, or not. (Furnham et al., 2009) In opposite, do Chris and Awonusi (2004) state the contrary, namely that extrinsic factors have a vital impact when motivating employees meanwhile intrinsic do not have any crucial impact. For that reason, may an efficient reward system be used as a good motivator, while an inefficient system could demotivate employees. Additionally, do researchers (Andrew & Kent, 2007) emphasize the significance of both extrinsic and intrinsic factors for motivating an employee to increase one's productivity.

This reasoning is aligned with Keller et al (1992) stating that focusing reorganization only on the extrinsic components are then not likely to enhance employee motivation without taking individual differences and aspects into account. The results from the study by Furnham et al (2009), further strengthen the importance of individual aspect such as demographic and personality variables to be of great significance and related to motivation and job satisfaction. Hence, seen as an extension of the two-factor theory which was firstly originated. These demographic and personality variables are for instance job tenure, age and number of years working full-time. The missing factor of individualism in the two-factor model (Herzberg et al., 1959) is additionally criticized by Abrahamsson and Andersen (2005), who argue that the problem with the theory is that it originates from the assumption that all people are alike, no differences in between individuals nor culture is given.

2.2.1.3 Criticisms towards need theories

Criticism towards Maslow's need theory have during the years been highlighted, although Abrahamsson and Andersen (2005) emphasize the importance of understanding that the theory was at first not developed in order to use it as currently applied, hence on employees at workplaces. This challenge to adapt the theory towards a contemporary and modern society is further deliberated (Bellott & Tutor, 1990; Frame, 1996) and summed up by Rouse (2004). For instance, is it argued that an employee can be satisfied and motivated by only aiming for the lower needs in the hierarchy, in addition, should some needs be reversed and replaced with each other (Rouse, 2004). Another critique towards Maslow's needs theory, is stated by Herzberg et al (1959) in which the theory is not appropriate to motivate employees who have fluctuating needs. Furthermore, the critiques above and the original need theory is lacking another important factor, which is the factor of social identity of an individual in a group setting (Ellemers et al., 2004). Earlier research (Maslow, 1943) has focused on individual needs a person have and his or her own self-reliant objectives. Instead, Ellemers et al (2004) argue that the "self-identity" may be viewed in diverse ways, thus have motivated behaviours which differs in various group dynamics. The research reveal that individuals in groups are motivated by the collective needs, goals and comparisons between groups.
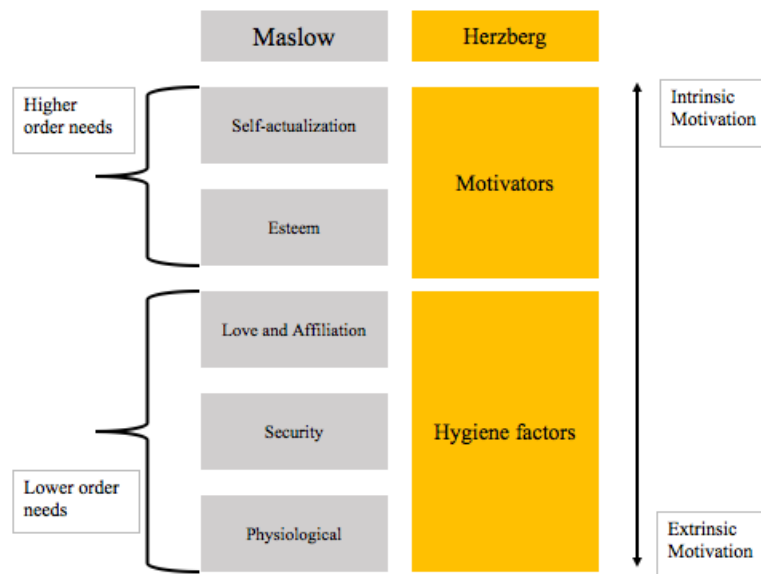
Figure 5. Need theories by Maslow and Herzberg.

This picture summarizes need theories visually by ranking an employee's need from basic to self-actualization and it does also distinguish the relationship between intrinsic and extrinsic motivation.

2.2.2 Equity Theory

The second motivational theory displayed is equity theory. Employees often compare their salary, benefits and other job characteristics with co-workers which have impact on employee behaviour, attitudes and motivation. (Sherf & Venkataramani, 2015)

2.2.2.1 Adams Equity theory

The concept of equity theory with regards to job motivation was first introduced by Adams (1963) and is the most widespread framework since then about how individuals evaluate social exchange relationships (Steers & Porter, 1983). Equity theory is based on the notion that people value fair treatment which oblige them to be motivated to keep fairness maintained with relationships with co-workers and the firm. It aims to maintain equity between the individual input and output, but also the perceived outcomes of others. Adams (1963) concludes people are not only concerned with the absolute amount of reward they receive in contrast to their efforts but also what others receive and when employees perceive an imbalance in their input-output ratio relatively to others, tension occurs. Employees can compare their input in terms of effort, experience, education and competence relatively to received outcomes such as compensation and recognition (Robbins, 2001). Although, outcome could be influenced by previous job experience and training, accordingly, it can contribute to what is perceived as unfair treatment (Pinder, 1998). Perceived balance in input-output ratio creates the foundation for motivation and allow people to strive for fairness and equity (Robbins, 2001).

Carrell and Dittrich (1978) suggest that Adams (1963) framework about equity theory, rely on three assumptions. First, people compose beliefs about what incorporates a fair and equitable return for their contribution to the organization. Second, as discussed previously, employees tend to compare their output with others. Third, the theory assumes that when employees recognize their own treatment not to be fair relatively to what they perceive others are making, individuals will be motivated to take different actions in order to change the situation. (Carrell & Dittrich, 1978) Champagne and McAfee (1989) impose such actions to be; reducing input, attempt to increase output in terms of salary increase or bonus and seek for other assignment. Other possibilities concern reduce input in order to reach a relative input-output ratio in comparison with co-workers. The final measure is to quit the job and seek employment somewhere else. (Champagne & McAfee, 1989)

2.2.2.2 Criticisms towards equity theory

Pritchard (1969) criticizes Adams (1963) framework by arguing about the implications of translating the theory into practice because of the many ways by which individuals may reduce perceived inequity. However, Pinder (1998) tries to put theory into practice and aims to establish the causes of perceived and actual inequity in organizations. According to Pinder's (1998) research, feelings of unfair treatment tends to occur when individuals believe they are not receiving fair return for their efforts and performance. Therefore, it is crucial for companies to develop transparent reward systems and communicate them in accordance with employee's beliefs about their own contribution to the company (Pinder, 1998).

2.2.3 Expectancy Theory

The expectancy theory proposes that an individual will behave in a certain way because they are motivated to reach a specific outcome related to that behaviour, i.e. employee job performance is determined by the motivation to reach a specific outcome and get recognized for the performance (Robbins, 2001). The framework originates from Vroom (1964) with added features by Porter and Lawler (1968).

2.2.3.1 Vroom's VIE Theory

Vroom (1964) suggests an individual's job performance is a function of the interaction between motivation and ability to perform. It means people's behaviour is a result of rational choices among alternatives that are related to the individuals' beliefs and attitudes, psychological processes and the perception of the outcome (Pinder, 1998). Vroom (1964) bases the framework on three factors fostering and steering behaviour. These are named valence, instrumentality and expectancy, which are the reason why expectancy theory sometimes are referred to as the VIE theory (Vroom, 1964). Abrahamsson and Andersen (2005) emphasize that the VIE theory is based on individual preferences, values and needs about a certain outcome. Accordingly, it is in a job situation crucial to understand each individual's goal and the relation between effort, performance and reward in order to improve

organizational performance. There is no common method applicable for explaining individual motivation. (Robbins, 2001) The first factor explaining the VIE theory, valence, defines value of the reward, and is the strength of a person's preference to obtain a specific outcome. It explains to what degree the individual goals are emotionally and desirably reached (Pinder, 1998). Great valence will strengthen an employee's motivation regarding job performance, which makes it important for managers to explore what motivates individuals (Vroom, 1964).

Vroom (1964) proposes the second factor, instrumentality, refers to the individual's belief that the accomplishment of a task will result in valued reward. Instrumentality links different outcomes with its performance level in order for the employee to identify which efforts lead to performance. (Vroom, 1964) In addition, instrumentality emphasizes the importance of being able to visualize a clear path from actions to rewards as well as goal attainment, hence ensuring from management that they will reward the individual's performance as promised (Robbins, 2001). The third factor of the theory is referred to as expectancy, which is the perception about to the extent the effort will lead to performance, i.e. if the actual outcome is feasible (Pinder, 1998).
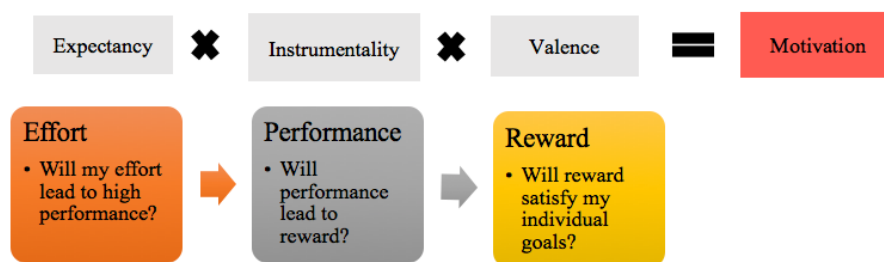
Figure 6. The VIE theory by Vroom explaining how effort, performance and reward leads to motivation.

The VIE theory is displayed in the figure above and explains motivation with regards to expectations. To conclude, expectancy theory states the strength of an individual's motivation depends on the degree to which they expect the results of their efforts to contribute towards their personal needs or goals (Vroom, 1964).

2.2.3.2 Porter and Lawler's extended expectancy model

Porter and Lawler (1968) used Vroom's (1964) framework as a foundation to develop an extended expectancy model. Porter and Lawler (1968) agree that an individual's motivation to complete a task is affected by the reward they are expected to receive for completing the task. However, Porter and Lawler (1968) added some extra dimensions emphasizing the difference between intrinsic and extrinsic rewards, task requirements and ability, and lastly the perceived fairness of the reward. Wang and Hsieh, (2013) suggest the level of performance is determined by intrinsic and extrinsic rewards received by them. Extrinsic reward might relate to performance, but intrinsic reward does not influence the level of performance. In addition, Wang and Hsieh, (2013) are arguing that the expectancy model has two ways in which individuals can increase their motivation. The first way involves increases of the quantity of rewards received by employees. The second factor embraces the desire of the employees to achieve an expected outcome, i.e. reward.
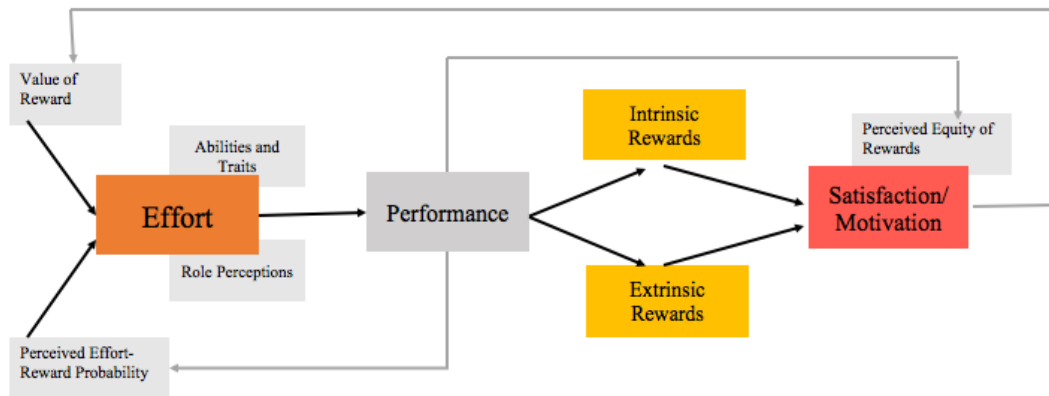
Figure 7. The extended expectancy model by Porter and Lawler.

2.2.3.3 Criticism towards expectancy theory

A major criticism against Vroom's (1964) theory of expectancy is the model's simplicity and rationality. It is based on that employees always act out of self-interest and their desire for reward. (Abrahamsson & Andersen, 2005) Accordingly, the theory excludes the possibility that an employee might be motivated by other factors regardless of the reward, e.g. organizational commitment and team aspects. Because the theory does not account for this, managers might miss out certain motivational factors. In addition, a discussion exists about the difficulty to apply the concept of expectancy theory into practice. It is resource- and time-consuming for managers to identify and have access to each employee's individual motivation, i.e. what they want and how much they want it. (Humphreys & Walter, 2004) Another criticism is explained by Armstrong (2006), who states that since expectancy is based on past experience, new situations imposed by management will create implications, such as change of working conditions or job tasks.

2.2.4 Summary of Motivational Theories

Theoretical Framework	Key Takeaways	Researchers
Motivational Theories	• Emphasize the importance of employee motivation impact on employee retention strategies. • Motivation generates organizational commitment → improved retention rate.	Knox & Freeman, 2006; Tarique & Schuler, 2010; Kaliprasad, 2006; Ramlall, 2001, 2004; Kreitner & Kinicki, 2002
Need Theory	• Explains transformational internal factors that impact employee behaviour and motivation. • Maslow's need pyramid. • Focus on unmet or upcoming needs in the pyramid to motivate employees. • Herzberg's two-factor model → hygiene factors and motivators. • Intrinsic and extrinsic factors impact on motivation. • Fluctuating needs. • Group motivation.	Ramlall, 2001, 2004; Maslow, 1943; Champagne & McAfee, 1989; Herzberg, 1959, Armstrong, 2006; Butkus & Green, 1999; Rouse, 2004; Gawel, 1997; Utley et al., 1997; Chris & Awonusi, 2004; Abrahamsson & Andersen, 2005; Ellemers et al, 2004

Equity Theory	• Comparison of job related factors impact employee motivation and attitude. • People value fair treatment → impact relationship with co-workers and managers. • Balanced Input/output ratio creates motivation. • Not only absolute amount of output but also comparison with co-workers and competitors. • Equity theory rely on three assumptions; beliefs, comparison and creating motivation. • Difference between perceived and actual inequity.	Sherf & Venkataramani, 2015; Adams, 1963; Steers & Porter, 1983; Robbins, 2001; Pinder, 1998; Carrell & Dittrich, 1978; Champagne & McAfee, 1989; Pritchard, 1969
Expectancy Theory	• Employee behave in a way because of motivation for a specific outcome. • Relationship between effort, reward and performance creates motivation. • Extension of framework – adding the dimension between intrinsic/extrinsic rewards, task requirements/ability, and perceived fairness of reward. • Two ways of increasing motivation; quantity of rewards and desire to reach outcome. • Criticism → too simplistic and rational, assume rewards are the only factor motivating employees.	Pinder, 1998; Vroom, 1964; Robbins, 2001; Abrahamsson & Andersen, 2005; Porter & Lawler, 1968; Wang & Hsieh, 2013; Humphreys & Walter, 2004; Armstrong, 2006

Table 2. Summary of theoretical framework – motivational theories.

3. Research Methodology

In this methodology chapter, the process used in this thesis is displayed, going from the pre-study to the main study. The methodology section originates from the chosen research area into a research question and purpose, constituting a foundation for the research design, which further generates the data collection and analysis.
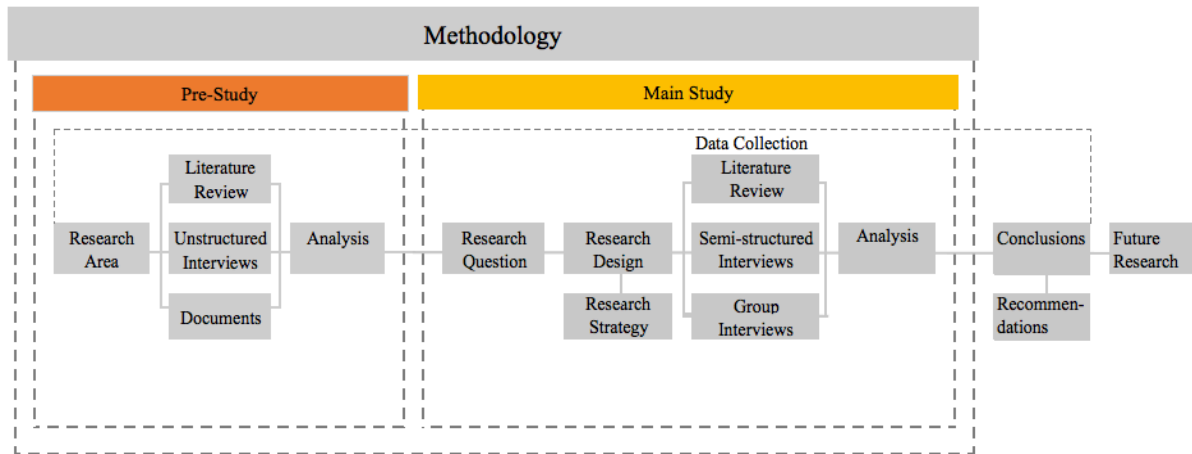
Figure 8. Illustration of the methodology process.

The figure above illustrates the methodology and its processes in this study. This structure describes and illuminates the process from a linear perspective, in order to see where to start and what to prioritize, however the process has not been linear. The pre-study conducted was vital for this study, since working as a foundation for the main study and providing a basis for the interview guide and the theoretical framework elaborated later on.

3.1 Research Strategy

In order to answer the research question in a desirable way, a qualitative research strategy was chosen. In contrast to a quantitative approach which emphasizes explaining a phenomenon via measurements, the qualitative research strategy applies the perspective of participants and their knowledge in order to in depth examine a concept (Bryman & Bell, 2011). Bryman and Bell (2011) argue that a qualitative research strategy is a beneficial method when the research question is formulated in terms of "why" or "how" because it allows the researchers to examine the underlying factors of the concept more in depth. It aligns with this study's stated research question, aiming to understand the relationship between employee motivation and retention strategies. Moreover, has a quantitative study already been executed in the actual research field at Hilti Svenska AB, e.g. GEOS (2016) and GPTW (2014-2016), where several retention and turnover factors were identified. Therefore, was a qualitative strategy ideal in order to gain deeper knowledge and find hidden factors not brought up in in the earlier mentioned surveys. Being able to provide recommendations regarding employee retention strategies requires a detailed understanding of the current situation, which was obtained by

discussing the research problem with employees. Moreover, the strategy emphasizes an inductive approach to examine a relationship or differences between theory and empirical findings, with focus placed on generation of newer theories (Bryman & Bell, 2011). The chosen strategy aims to investigate and construct a theory which was suited for this study, as the theory of an employee-motivational based retention strategy for a sales company was scarce. However, the research focused on exploiting empirical findings in order to construct new ideas describing how the retention strategy could be formulated.

3.2 Research Design

3.2.1 Case Study

This thesis is designed as a single case study in order to gain a deeper knowledge about the employee retention strategy and its challenges at Hilti Svenska AB. The research design of a project depends on the purpose of the research and a case study approach is suitable when the research aims to investigate a present and ongoing phenomenon in its real context (Gerring, 2008; Yin, 2003). This study aims to investigate and improve a company's employee retention strategy with regards to employee motivational factors. The object of the focus for this research is therefore the employees and managers at Hilti Svenska AB which constitute the basis for the company's employee retention strategy. The purpose of the research, hence to get more into depth with empirical findings via a qualitative study, strongly impacted the research design.

A case study can be applied to a unique environment such as a single organization, person, location or event, where the importance is on the specific focus on an isolated system in terms of a unit (Yin, 2003). A single case study allows the researchers to provide organizationally tailored recommendations, while a multiple case study create a width and holds a stronger external validity which is necessary for general applicability (Bryman & Bell, 2011). On the other hand, single case studies have the ability to strengthen the internal validity (Gerring, 2008). Given the concerns of being able to provide useful and accurate recommendations to Hilti Svenska AB, internal validity is of greater importance than external validity, meaning that conclusions should be trustworthy and accurate. Moreover, a longitudinal or a comparative case study were not recommended for this project as the former requires a longer time period and the latter aims at comparing two different situations (Bryman & Bell, 2011). Resulting in the reasoning that other forms of case studies had not provided a fruitful answer to this specific research question and those methods are therefore not selected in this study. Other reasoning for choosing a single case study was that it is a favourable method when studying the unique characteristics of a chosen study object and when its complexity benefits from in-depth clarification as explained by Gerring (2008). As this study applies an internal perspective through reaching out to current employees, a single case study was preferable.

In this research, the case refers to Hilti Svenska AB, and in particular the white collar workers to ensure the retention strategy and motivational factors covering a united group. In addition, Yin (2003) clarifies that case studies are an advantageous method as it grasps features regarding both real-life events and organizational processes. This study aims to reveal

different motivational factors among workers as well as it requires a deep understanding about the organization's current strategy and processes. Thus, it obligates complex information in order to recommend a successful retention strategy, a research design that facilitates the gathering of such data is therefore beneficial. Further, the purpose is to extract information from the empirical result and analyse the findings in comparison with academic theory to identify successful retention strategies for Hilti Svenska AB to aim at. Therefore, this chosen research design will enable the research to answer the research question in a fruitful way.

3.3 Pre-study

The research project was initiated through a pre-study which allowed the researchers to gain necessary knowledge in the area of current employee retention strategy and a basis in employee motivational factors at Hilti. In order to clarify the scope of the research and what areas that are relevant for the case company, a pre-study was ideal. The researchers conducted unstructured interviews with members from the Leadership Team, at the case company, to get a comprehensive view as well as various departments' perspectives of the challenges Hilti are facing.
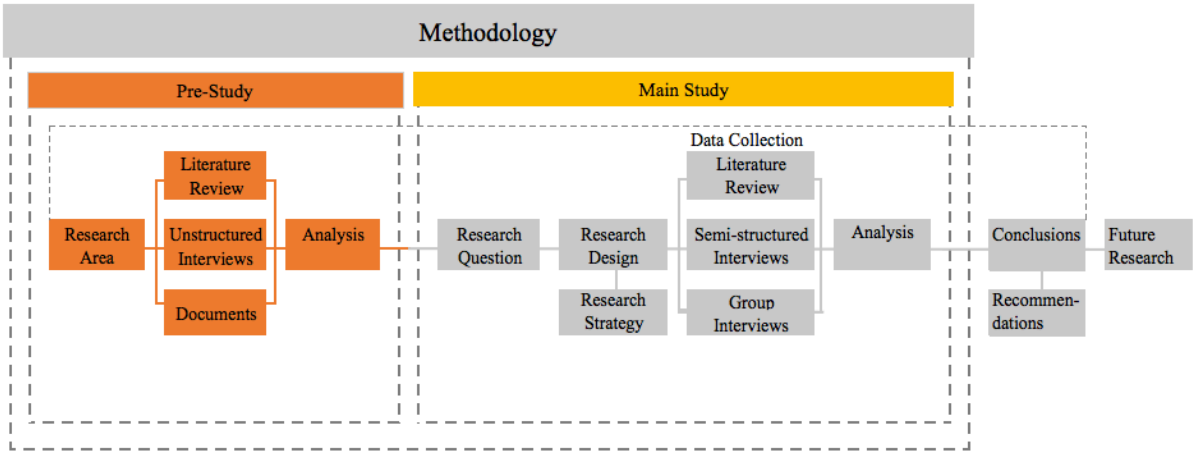
Figure 9. Illustration of pre-study.

For the pre-study, an unstructured interview approach was chosen in order to gain initial knowledge of the research area and to grasp the interviewees opinion regarding employee retention aspects. Unstructured interviews contain of few guidelines and no formulated questions, which is suitable for this study since it is aiming to establish a report and exploit the respondents view of a specific topic (Bryman & Bell, 2011). However, the interviews were more of a conversation.

Unstructured interviews were conducted with the Leadership Team which are responsible for each department, specifically Human Resource, Sales, Marketing, Finance and Strategic Business. They possessed a deep understanding of the overall business strategy. The interviews with Sales and Finance directors put a strong focus on total compensation as a motivational factor while seeing each individual's motivational factors. Marketing highlighted

the importance of commitment and shared values, while at the same time making employees feeling valued and appreciated. Human Resources strengthened the importance of working towards the same goal and additionally being transparent with total compensations, since a part of employee retention in 2016 concerned unawareness of compensations. Finally, strategic business emphasized the significance of always being in a changing environment, where celebrating small victories as well as larger ones should be improved.

The interviews took place at Hilti Svenska AB's head office in Arlöv, Sweden and via skype meetings from Gothenburg. The respondents were encouraged to speak freely, in line with Bryman and Bell (2011) suggestions. The interviews covered a few topics and the following bullets served as guidelines:

- Employee retention strategies at Hilti and particularly at your department
- Strengths and weaknesses regarding the actual employee retention strategies
- Turnover challenges

All interviews ended with a discussion about which employees could be suitable to conduct a longer interview with for the main study. Dividing the research project into a pre-study and a main study yielded a basis applicable and suitable to build the main study around and enabled the researchers to get more into depth.

Function:	Number of Interviews:	Date of Interview:	Duration of Interview:	Where:
Finance	1	2017-01-30	40 min	Arlöv
HR	1	2017-01-30	40 min	Arlöv
Marketing	1	2017-01-30	40 min	Arlöv
Strategic Business	1	2017-01-30	30 min	Arlöv
Sales	1 1	2017-01-30 2017-01-27	40 min 40 min	Gothenburg Arlöv
Sum of interviews	**6**			

Table 3. List of pre-study interviews conducted with the Leadership Team at Hilti.

A literature review for the pre-study was conducted in order to gather more knowledge for the researchers within the field of employee retention. Gothenburg University's library and Google Scholar were mainly used for finding relevant literature in the pre-study. From the literature gathered, a basic literature framework became evident. A part of the pre-study was also to start reading materials and internal documents from Hilti Svenska AB, e.g. employee surveys and benchmark studies.

The pre-study served the researchers with relevant empirical knowledge to build a basis for the continued research, as well as to identify which aspects of employee retention strategies and employee motivational factors to include in the main study. Based on the findings, certain theories and frameworks could be excluded.

3.4 Data Collection
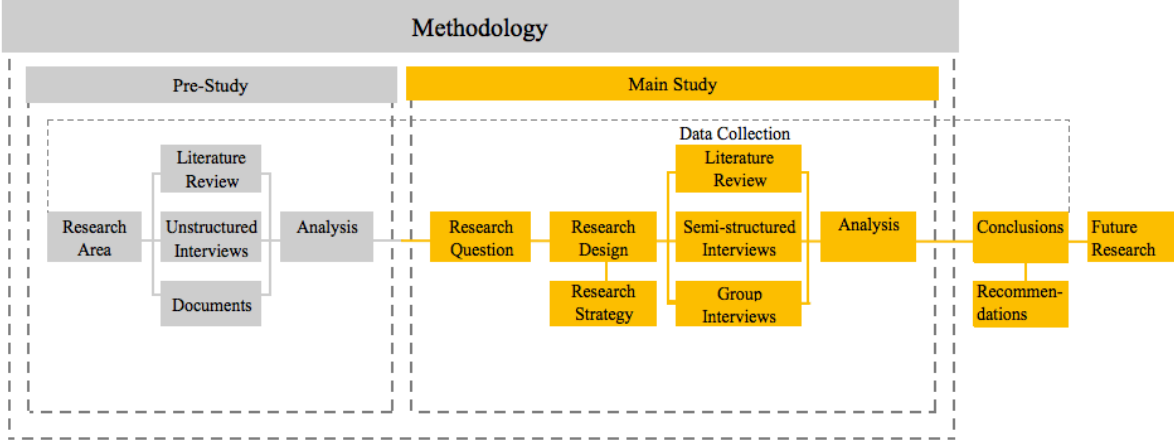
Figure 10. Illustration of the main study.

3.4.1 Constructing the theoretical framework

The theoretical framework was initiated through two main research fields based on the chosen research area, namely employee retention strategies and motivational theories. It was narrowed further based on the findings from the pre-study and investigated more in detail before the data collection phase. The extensions focused on linking employee retention to employee motivation.

A systematic literature review provided the foundation for constructing the theoretical framework. It enabled the researchers to identify and select among published research in the field of retention strategies, employee motivation and motivational theories. Initially, the authors put a great effort in understanding motivational theories and their link to employee motivation. It enabled connection of different theories and wider knowledge of previous research in the field. It was vital for the upcoming interviews as well as for the analysis to understand the challenges and antecedents associated with employee retention and workplace motivation.

3.4.2 Primary and secondary data

After carrying out the pre-study, the data collection was executed, involving data from both primary and secondary sources. The primary data was gathered from semi-structured interviews, group interviews and informal conversations. The secondary data derived from internal company documents, employee surveys and Hilti Svenska AB's intranet. In addition, the theoretical framework was constructed from scientific journals, books and other internet sources.

3.4.3 Semi-structured interviews

Empirical findings for the main study were gathered through semi-structured interviews with employees at Hilti Svenska AB to enable answering the formulated research question. The interviewees are employed in different departments of the company in order to get a comprehensive perspective and cover inputs about how the employee retention strategy should be designed on the basis of employee motivational factors. The departments at Hilti Svenska AB are displayed as Marketing, Sales, Human Resources (HR), Finance and Strategic Business. Marketing entails positions within Product Management, Customer Service, Strategic Marketing and Marketing Business Developers. The department of Sales is composed of Sales Team South, Sales Team North and Sales Team Key Account. HR involves positions as for instance HR Business Partners, HR supports and Recruiting Specialists. Meanwhile, Finance controlling, Credit & Collections and Procurement & Facility, are fields within Hilti's Finance department. Finally, the department of Strategic Business do, for this thesis, incorporate Engineers, Services & Software, Sustainability and Service Specialists. In addition, it was vital to include employees who been employed at Hilti for a long time as well as newly-hired employees to enable this study to grasp differences within each department.

It was of great importance for the case company to identify similarities and differences between departments and geographically dispersed employees and therefore, a large amount of interviews was necessary to ensure internal validity for the research. Bryman and Bell (2011) argue semi-structured interviews allows for flexibility and permit the researchers to move from the prepared questions depending on which direction the interview takes. As the purpose of the research project is to provide a concrete action of how to improve the employee retention strategy, semi-structured interviews are suitable as it is a casual way of conducting an interview. On the contrary, a structured interview approach would not be sufficient for capturing the diversity (Bryman & Bell, 2011) among functions and locations in question.

An interview guide was constructed, as suggested by Bryman and Bell (2011), based on the pre-study and the theoretical framework in order to make sure all topics were covered in the research. Semi-structured interviews contain a list of questions on which the interview is based, but the order and the importance of questions may vary depending on the direction each specific interview moves (Bryman & Bell, 2011). Therefore, were the questions aimed to cover several motivational factors and coded on beforehand to cover a specific motivational theory. Such preparation allowed for a proper analysis later on. Since motivational factor are highly individual it was important to let respondents explain their viewpoints even if these were not initially covered in the interview guide. To enable the researchers to gain a deeper understanding of the respondents' opinions, follow-up questions were frequently asked during the interviews. In order for respondents to express themselves in the most natural way, interviews were conducted in the respondents' mother tongue, Swedish. The interview guide can be found in Appendix 1.

Before the interviews were carried out, the interview guide was handed out to the Finance department at Hilti Svenska AB and tested on peers at the University of Gothenburg in order to get feedback on the formulated questions and determine if there were room for improvement. Bryman and Bell (2011) state a prepared interview guide that is handed out to the respondents on beforehand, strengthens the dependability of the research. Nevertheless, handing out a copy of the interview guide makes it possible for participants to prepare but also for the researchers to be prepared for answers that might not be absolutely true and spontaneous (Bryman & Bell, 2011). The aim with a case study and this specific research was to identify attitudes and spontaneous answers and hence, the interview guide was not handed out on beforehand. Prior to the interviews, a reminder was sent out the respondent explaining the main topics to be covered in the interviews.

3.4.3.1 Selection of respondents

Interviewees were selected to ensure a comprehensive description of the retention strategy and to cover individual motivational factors. The pre-study interviews provided a basis for which functions and respondents that could be relevant to include in the main study. The response rate was high, all employees questioned wanted to be a part of the study, which strengthen the validity of the study according to Bryman and Bell (2011). Number of respondents from each department are based on total number employees at the specific departments. Researchers aimed to cover an equal part of all business units. For instance, as the Marketing department covers many different positions and is a large business unit, many respondents had to be interviewed. Furthermore, Bryman and Bell (2011) conclude in-person interviews are preferable in order to establish a relationship between the researcher and the respondent. All interviews aimed to be in person but due to time restrictions and distance, a few were carried out by telephone. The interviews were scheduled for one hour each to cover all topics. In total, 20 persons were interviewed:

Function:	Number of Interviews:	Date of Interview:	Where:
Finance	1	2017-03-15	Skype
	1	2017-03-14	Skype
	1	2017-03-13	Skype
	1	2017-03-14	Skype
HR	1	2017-03-22	Skype
	1	2017-03-13	Skype
Marketing	1	2017-03-10	Arlöv
	1	2017-03-09	Arlöv
	1	2017-03-09	Arlöv
	1	2017-03-09	Arlöv
	1	2017-03-10	Arlöv
	1	2017-03-09	Arlöv
	1	2017-03-10	Arlöv

	1	2017-03-14	Skype
Strategic Business	1 1 1	2017-03-03 2017-03-03 2017-03-14	Gothenburg Gothenburg Skype
Sales	1 1 1	2017-03-14 2017-02-27 2017-02-27	Gothenburg Gothenburg Gothenburg
Sum of interviews	**20**		

Table 4. List of interviews conducted with employees at Hilti Svenska AB.

3.4.3.2 Conducting the interviews

Both researchers were present during all interviews. While one focused on asking the questions and carrying the conversation, the other one took notes and ensured no questions were forgotten. The interviews carried out in the research were not recorded, researchers focused on being present in the conversation to grasp opinions and expressions. The disadvantage of not recording and transcribing interviews could be missing out details and difficulty to code and categorize data afterwards (Bryman & Bell, 2011). On the other hand, Bryman and Bell (2011) conclude transcribing is highly time consuming and if not transcribing, more time could be spent on analysing the data. To strengthen the validity of the research, each interview ended with the researchers summarizing the findings and also asked if the respondent wanted to add anything.

3.4.4 Group interviews

Besides the semi-structured interviews, three group interviews were conducted. The group interviews had an unstructured approach with the aim to confirm and discuss previous findings from the individual interviews. Findings were presented in a couple of power point slides in order to get the discussion started. Respondents were encouraged to speak freely about the topic as suggested by Bryman and Bell (2011), the researchers adopted an observing role with focus on grasping attitudes and opinions about what was said. The group interviews strengthen the validity of the research, i.e. it put findings in a wider context.

The group interviews were carried out with salesmen which are the largest work group at Hilti Svenska AB. It is the department that faces the biggest challenges concerning employee retention and several of the workers have other working experiences from Hilti as well. Therefore, it appeared relevant for the researchers to conduct group interviews as a complement for that specific function.

Function:	Number of Interviewees:	Date of interview:	Location:
Sales Team 1	6	2017-03-10	Arlöv
Sales Team 2	7	2017-04-06	Stockholm
Sales Team 3	7	2017-04-07	Stockholm
Sum of group interviewees	**20**		

Table 5. List of group interviews conducted with Sales team at Hilti Svenska AB.

3.5 Data Analysis

Next phase in the research was to analyse empirical findings and academic literature. No precise guidelines of how qualitative research should be analysed exists, however, in order to analyse the gathered qualitative data, Bryman and Bell (2011) recommend coding and categorization of empirical findings, i.e. interview answers. This means searching for common themes and identify the linkages between them. Coding is a tool of thematic analysis, the most commonly used framework for analysing qualitative data (Bryman & Bell, 2011) and this thesis have used open coding which is the process of sorting, comparing, conceptualizing, examining and categorizing data. Furthermore, is coding defined as reviewing collected data while allowing different labels on the data in order to compile and separate it (Bryman & Bell, 2011).

The thematic analysis was carried out to ensure all relevant aspects from the empirical findings and theoretical framework were included in the analysis. Before the interviews were carried out, a table was created summarizing the theoretical framework, i.e. stated what concepts were interlinked and what concepts were contrasted to each other. Based on the summary, the interview guide was constructed. Questions and concepts were colour-marked in order to enable an overview. This process enabled initiating the analysis well in advance which was an important tool in order to later be able to do a thorough analysis of the study. In addition, it was an advantage as this research was iterative in nature, an ongoing exchange between analysis and data collection was prevailed. The table enabled the researchers to go back and forth between academic literature and collected data.

Theoretical Framework	Theme and category	Interview question
• Expectancy model (link between effort, performance and reward • Hygiene factor or motivation factor? (Herzberg)	Compensation and Benefits • Importance of relationship between performance and reward	Will a pay increase motivate you to perform better?

Table 6. Description of how interview question are related to academia.

The table displays an example of how the interview questions were colour coded and related to the theoretical framework.

For summarizing the empirical findings, an excel document was created based on predetermined topics from the interview guide. The excel document allowed for a separation of answers between questions and departments. When reading, discussing and summarizing the findings from conducted interviews, themes and subcategories could be identified. Off-topics comments were left un-coded and gathered in a separated document in order to not influence the analysis. Some of the off-topic comment were later on included in the analysis.

	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4	Summary
Compensation and Benefits					
Relationship between performance and reward.	Not motivated by pay increase, fair pay important.	Does not impact performance level, training is more important.	Maybe in the short run, but not long term.	Maybe, if related to recognition.	

Table 7. Example of presenting interview answers.

The table above displays an example of how collected data was organized in correct theme.

Moving on, the initial table constructed for the interview guide was used as a basis for the thematic analysis. Findings from the excel-document were summarized under correct theme and subcategory. A last column was then added (after theoretical frameworks and empirical findings) named analysis. The findings were contrasted against the theoretical framework as the inductive approach suggests and enabled the researchers to identify a correspondence or a non-correspondence between the literature and the empirical findings.

Motivational Factors	Theoretical Framework	Empirical findings	Analysis
Monthly pay (salary and bonus).	Compensation is a hygiene factor. It is a tool to reduce dissatisfaction rather than increase satisfaction.	• A pay increase would not impact performance or motivation. • A pay increase could impact motivation via a sign of recognition and appreciation.	Some correspondence Pay increase is not motivating employees, although the bonus can motivate them.

Table 8. Analysis model.

Criticism against using coding as an analysis method is that it tends to fragment data and narrow the analysis to exclude some parts which might affect the outcome (Bryman & Bell, 2011). By summarizing the findings thoroughly in an excel-document, researchers aimed to minimize such fragmentation.

3.6 Research Quality

Quality measurements is an important part of a research project, it provides a guarantee for trustworthy evidence, applicability to other settings, objectivity and consistency (Bryman & Bell, 2011). Reliability and validity are common measures for assessing the quality in quantitative research project. However, for a qualitative research the relevance of these measures are questioned (Bryman & Bell, 2011; Mason, 1996). Since measurement is not a major part of qualitative research and that case study is chosen as research approach for this study, the issue of external validity has little value in this situation (Bryman & Bell, 2011). As a result, Bryman and Bell (2011) suggest that qualitative research should be evaluated according to trustworthiness and authenticity where trustworthiness in turn is separated into four criteria; credibility, transferability, dependability and conformability. Therefore, based on the chosen research design and approach, this project is evaluated according to these factors instead.

The first criteria, credibility, correspond to internal validity and measure to what extend the findings in the study are trustworthy and believable to others. Credibility also deals with the challenge that a social context incorporates several truths and perceptions of the reality and therefore, credibility is of major importance when presenting a result. (Bryman & Bell, 2011) To ensure credibility for this thesis, focus has been on conducting the research according to good practice. To start with, the pre-study enabled the research to increase the knowledge within the research field as well as detailed knowledge about employee retention challenges at Hilti Svenska AB. The research contains of data from independent sources, such as academic literature, qualitative interviews and internal documents which enhance credibility. The group interviews acted as a confirmation of previous collected data, i.e. that researchers have identified relevant motivational factors and other retention aspects, which in turn enhance the internal validity of the research. Furthermore, one researcher took notes during the semi-structured interviews as a mean to not misinterpret what have been said during the interviews. A quick summary and follow-up were conducted after each interview to reduce misinterpretations. On the basis of usage of different data sources and respondent validation, i.e., correspondence between researcher's findings and the view of the respondent, credibility has been ensured.

Secondly, transferability refers to the degree to which the findings could be generalized (Bryman & Bell, 2011). This research is a case study aiming to provide Hilti with suitable recommendations and therefore, the transferability criteria cannot be regarded as fulfilled. However, if aiming for transferability, a benchmark or multiple case study is better suited.

Thirdly, dependability explains to what extend the findings are consistent in relation to the specific context, i.e. if the study is repeatable. A measure to improve the trustworthiness of the report is to adopt an auditing approach, which is the main criteria to ensure dependability. The auditing approach entails a detailed tracking record and clarification of the research process including formulating research problem, systematic literature review, sampling as well as notes from interviews. (Bryman & Bell, 2011) In addition, researcher have applied an

iterative approach by continuously collect and analyse data in order to ensure dependability. An ongoing dialogue with supervisor and the case company, who have commented and revised ongoing during the research process, has additionally strengthened the auditing process.

Finally, confirmability measures the objectivity of the research and ensures that the study is based on participant attitudes instead of researchers' biases. Bryman and Bell (2011) argue that complete objectivity is virtually impossible in a qualitative research procedure. A technique to enhance confirmability is to search for literature with different reasoning's to confirm and reject a connection with empirical findings. Furthermore, writing a log and discuss the process and topic with experts in the field state objectivity. (Bryman & Bell, 2011) Consequently, it has been of great importance to act in good faith and disallow personal values as well as conducting a thorough literature study when writing this thesis.

In addition to the trustworthiness criteria, Lincoln and Guba (1985) suggest the concept of authenticity as suitable for qualitative research. Authenticity refers to the wider political impact of the research and are related to fairness and objectivity. It emphasizes the degree to which the researchers fairly described the participants' experiences and the surrounded environment. (Bryman & Bell, 2011) To ensure authenticity, employees from all departments are part of this study. Moreover, have the researchers applied an open approach towards this area of research.

4.Findings from the Pre-study

This chapter aims to display the results from the conducted pre-study, working as a guideline for the main research. The pre-study interviews provided a comprehensive view of the research topic and made it possible to make further limitations of what to include into the project. In addition, the pre-study acted as a tool to understand and describe the current retention strategies at Hilti Svenska AB from the Leadership Teams' point of view.

4.1 Employee retention at Hilti

Hilti's employee retention strategy is a comprehensive system. Many factors should be covered but still be individualized. All interviews brought up personal development opportunities as Hilti's main focus and advantage concerning employee retention. This aspect is related to what Leadership Team emphasizes as the main importance of retaining critical employees, i.e. ambitious and talented individuals. All respondents stress the problem regarding awareness and knowledge amongst employees regarding the company's retention efforts. The subject is brought up as a challenge to overcome retention of critical employees at Hilti.

Furthermore, compensation and benefits with focus on transparency and awareness were brought up under all interviews as an important measure. The Leadership Team is arguing that the problem isn't the compensation in itself, hence, Hilti's intention is to be a company with salaries comparable to others, i.e. stay in the middle of the markets' salary range. Instead, efforts could be made regarding transparency, through communicating and educating employees of how their individual compensations appears. All respondents argue that they have a great responsibility to educate each departments regarding actual benefits and rewards in order to make them aware of the entire compensation package.

The future strategy is characterized by small teams and many mid-level manager positions, which according to the Leadership Team strengthens the internal relationships and reduce complex decision paths. It allows for managers to continuously coach and develop their teams. In addition, the company is in a major growth phase where it faces a challenge to expand but remain closely linked in relationships and decision making. A fast pace of transformation, places a high demand on the organization while at the same time being the key to competitiveness. To deal with such changes, an agile approach is needed. When discussing agility, management emphasize proactive actions to identify what motivates the employees in order to keep valuable knowledge within the company.

4.2 Turnover challenges and reasons for leaving

Hilti conducts exit interviews with former employees in order to clarify the reasons for layoffs. Hilti as a firm and brand is perceived as very positive among former employees. However, commonly mentioned reasons for leaving are compensation, development

opportunities and leadership quality. Nearly all former employees state that the new firm offers a higher basic salary, which gives an indication of Hilti salaries compared to other companies. Moreover, do the exit interviews highlight several topics, namely: "Development opportunities", "Working culture", "Leadership", "Branding" and "Common values". A downside notified by both the Leadership Team and in Exit Interviews (2016) are the difficulty to reach a higher position and remain at the same place geographically. For instance, as an area sales manager to develop in his or her position, the opportunities are within the Head Quarter that is located in Arlöv, situated in Skåne, which might make a competitor more attractive when living somewhere else. Generally, many former employees experience too much pressure and too high expectations. Many employees lack motivation when the goals feel unreasonable. Also, the individual targets have to be more adapted to each region and person in order to improve the employee's motivation.

Regarding leadership, several aspects were brought up but the overall leadership quality is shifting and in need for situational customization. Too much focus is spent on negative result rather than highlighting the positive outcomes. On the other hand, do many former employees emphasize the leadership and team size as a great advantage within Hilti.

4.3 Limitations of further research

The pre-study has generated limitations for further research. Firstly, awareness and dissemination are accordingly two factors to discuss when examining motivational factors impact on retention. As compensation seems to be an important factor for employee satisfaction, it has to be included as well. Also leadership and career advancement opportunities will be included. On the contrary, corporate culture and branding are not necessary to further examine, according to the pre-study.

5. Empirical findings

To answer the research question of how employee motivational factors impact employee retention strategies the empirical findings will be presented in two main sections. Firstly, researchers have identified motivational factors for all business units. Secondly, are the findings presented per retention strategy separated per each business department to enable a thorough analysis in the next chapter.

5.1 The impact of motivation on employee retention

Nearly all respondents agree upon motivation having an impact on performance level and retention. In periods with reduced motivation, performance is affected negatively, both in terms of reduced output, customer relationships and direct sales. Regarding demotivators, some factors are brought up in all departments while others are related to specifically monotonous work tasks. Lack of support and feedback is a factor contributing to reduced motivation and performance as well as a reason for turnover. Variation in work tasks is a factor contributing to retention, although it is not a decisive reason for turnover.

Summarized below as an introduction to this empirical gathering, are the results of motivating factors, demotivating components, reasons to stay and reasons to leave Hilti, divided per each department.

Finance			
Motivating factors	**Demotivating factors**	**Reasons to stay**	**Reasons to leave**
- Culture & team. - Compensation - CSR (ethics), contribution to world. - Support & recognition from leader.	- Stress because of high workload. - Autonomous work tasks. - Lack of feedback/support.	- Colleagues - Development possibilities.	- Geographical changes - Extremly good offering from others. - Lack of development opportunities.

Figure 11. Motivating factors for the Finance department.

Human Resources			
Motivating factors	**Demotivating factors**	**Reasons to stay**	**Reasons to leave**
- Appreiciation & recognition from leader. - Getting responsibility. - Feeling able to influence and affect decisions. - Culture & team. - Compensation factors.	- Lack of feedback/support. - Lack of direct communication of dvpmt. - Unrealistic goals/ too high goals. - Autonomous work tasks.	- Colleagues - Follow own set values. - Development possibilities.	- Lack of appreiciation & recognition. - Large changes of employee politics. - Another position that is interesting.

Figure 12. Motivating factors for the HR department.

Marketing

Motivating factors	Demotivating factors	Reasons to stay	Reasons to leave
- Personal dvlpmt plan. - Manager style & recognition. - Freedom, flexibility & involvement. - Correct tools to do job. - Compensation & benefits.	- Heavy workload & hard to prioritize. - Lack of confidence, support/feedback. - Autonomous tasks. - Lack of structure vs too much structure. - Lack of individual goals.	- Development possibilities. - Colleagues - Follow own set of values.	- Lack of dvlpmt plan. - Getting a dream offer. - Lack of training/development. - Family situation & possibilties outside HQ. - Close leadership in order to be appreciated.

Figure 13. Motivating factors for the Marketing department.

Strategic Business

Motivating factors	Demotivating factors	Reasons to stay	Reasons to leave
- Development opportunities. - Culture & team. - Closest Manager showing recognition & appreciation. - Compensation - Flexibility opportunities.	- Lack of individualized future dvlpmt plan. - Lack of correct tools to solve challenging tasks. - Autonmous tasks. - Too much administrative tasks.	- Feeling of contributing and making a difference. - Colleagues - Develoment opportunities.	- Better offering from others. - Lack of development opportunities. - If compensation lacks average level. - Lack of flexibility possibilities.

Figure 14. Motivating factors for the Strategic Business department.

Sales

Motivating factors	Demotivating factors	Reasons to stay	Reasons to leave
- Development opportunities. - Compensation - Flexibility at work. - Getting recognition & appreicietion.	- Autonomous work tasks. - Too stiff structure, not making one able to be "an entrepreneur" at Hilti towards customers. - Too much administrative work compared to sales.	- Great reputation & products. - Close relationship to team & customers. - Getting feedback. - Easy to be involved. - Create value. - Flexible & responsible.	- Family situation & possibilities outside HQ. - Lack of individualized future dvlpmt plan. - Compensation compared to input is not balanced enough while getting other offerings. -Heavy workload.

Figure 15. Motivating factors for the Sales department.

5.3 Compensation and Benefits

5.3.1 Finance

At first glance, compensation is not a decisive motivator brought up by Finance employees. All respondents conclude there is no direct correlation between a pay increase and improved performance in the position they are right now. More likely, recognition and change of working routines would impact level of performance. However, two respondents conclude a pay increase has previously led to improved performance in situations where employees have been promoted and have changed working tasks and responsibility. Interviews reveal Hilti is facing a challenge concerning the reward system. It has to be in line with performance and there has to be a fair balance between input and output. Otherwise, it could be a reason for turnover according to conducted interviews.

The Finance department receive a yearly bonus based on Hilti Sweden's performance. 75 % of the respondents are not fully aware of how bonus is calculated, however they trust the employer for calculating it correctly. Bonus is seen as an extra compensation and not anything taken for granted.

Regarding industry average salaries, Finance employees believe Hilti are in the middle range when contrasting to competitors. One respondent is arguing that a *"comparison between input and output is more relevant than salaries at competitors"*. The majority of the respondents argue that a slightly pay increase is not enough motivation to change employer. It is rather dissatisfaction within current position, lack of development opportunities and family situations that could contribute to the decision to change employer. In addition, one respondent concludes management direction and attitudes could be a reason to quit employment at Hilti, emphasizing good leadership on all levels. The majority of the respondent's state individuals are responsible for skills improvement, i.e. there is no praxis at Hilti to receive skills development. One respondent argue that it is important with development of skills since *"it is a guarantee for better output"*, i.e. increased reward and performance. An interviewee states that Hilti have an open approach towards their employees and their development, if one asks and demand for it. On the contrary, one respondent has the perception that Hilti are actively pushing and encouraging individuals to make career advancement by rather selecting employees based on personality than competence.

Other benefits than yearly bonus are not perceived as particularly attractive among Finance employees. The respondents do not utilize them to a large extent and to enable benefits to be attractive it is important they are designed to fit a large mass, be nation-wide and flexible in order to satisfy widespread needs. However, two respondents discuss the challenge for Hilti to adapt benefits in order to make them attractive to all employees in Sweden. Currently, there are some benefits that are developed to suit employees at the headquarter only, i.e. free entrance to Burlövsbadet, meal tickets and rebates at restaurants in the neighbourhood. Even though all Finance employees are located at the headquarter in Arlöv they feel no need for locally designed benefits. As Hilti is a nationwide and diversified organization, respondents are arguing that benefits should be designed in that way too. The Finance respondents believe they would take advantage of benefits if they had greater awareness of them and if they were more niched towards fulfilling individual needs. All respondents clarify they know where to find information about benefits but has no reason to further examine it. One interviewee states an app could be an innovative way to find out more about benefits, mainly non-financial benefits.

5.3.2 Human Resources

Employees at HR are well aware of their annual bonus, although they would not get into details of the calculation, hence trusting the employer for a fair calculation. Clearly displayed at HR, is the lack of correlation between salary increase, motivation and performance. Instead, in order to motivate HR employees further, the best way to do so is by giving more responsibility, show appreciation and recognition.

Since HR are the ones conducting benchmarks in salary levels at Hilti, through their analysis they believe Hilti to have fair wages and a competitive bonus system. However, according to HR is the range of, an experienced employee compared to a junior employee within a specific grade, too narrow. Resulting in a difficulty to show value and appreciation in salary terms towards a high competent employee, mentions an interviewee. In addition, makes it severely to push for developing one's skills.

The benefit package is according to HR good although not seen as motivating them at work nor something that is used actively in recruiting phases. Interviewees also state that compared to other firms, the package is seen as pretty standardized. *"Currently, the jubilee days offered by Hilti is a benefit that is appreciated and stands strong in comparison to other organizations"*, mentions one respondent. Possible improvements explained by HR would be vacation days, since 30 days are seen as standard, and additionally flexibility aspects, such as training during work time and taking non-paid vacation. Further by having a fully or half free-day before holiday would be appreciated and is often used by other firms, according to the interviewees. Finally, a benefit that is clearly connected to the Swedish headquarter, would be to have a canteen with favourable prices for lunches.

5.3.3 Marketing

The Marketing department use the same bonus system as Finance and Human Resources, i.e. bonus is dependent on Hilti Sweden's performance. Similar to previous findings, employees at the Marketing department are aware of how bonus is calculated for white-collar workers and where to find the information. One respondent mentions "*the reason for trusting the employer to calculate bonus correctly is because all office workers are using the same system"*.

When discussing the relationship between performance, reward and motivation all Marketing employees agree a pay increase would not impact performance level in the long run. However, a pay increase could be seen as a way of recognizing and appreciating the employees according to one quarter of the interviewees and hence, there is a link between reward and motivation. One interviewee discusses the grading system used for salaries at Hilti and concludes a changed relation between performance and reward would impact status for a certain position. Currently, some positions in the company are low graded independently of background experience and number of work tasks which makes it difficult to compare what a certain title at Hilti is worth. The respondent states: *"It is a logic system but there are many different positions to fit in within the same grade of the scale."* It means that the range between one with senior experience compared to an employee with lack of experience is not that different in salary. A motivational factor could be that more work tasks or experience level implies a changed level at the grading scale.

About half of the interviewees have a low degree of awareness about market average salaries, the other half believe Hilti applies market average salaries. An interviewee argues it is more

important to receive a balance between individual input and output than compare industry average salaries. Another respondent states *"although the bonus is above average it has become a hygiene factor rather than a motivator"*. As Finance and Human Resources, employees hired at the Marketing department mean it exists development opportunities at Hilti, however, it is your own responsibility to drive such development. Results from interviews conclude Hilti applies a well-structured introduction plan but lacks further skills development after six months.

Overall the benefits at Hilti are seen from the Marketing employee perspective as standardized. In accordance with other departments, benefits should be applicable to all Hilti employees. In order to have a positive impact on work motivation, a majority of the respondents are arguing they have to be re-arranged and more niched towards a certain set of benefits, for instance increased focus on wellness contribution and flexibility. The solution might not be to raise the total sum of wellness contribution but rather to create an innovative benefit.

It is a low degree of awareness regarding total compensation throughout the entire Marketing department. A majority of the respondents state they know where to find the information and that it is one's own responsibility to find out about it. In contrast, one interviewee states total compensation at Hilti lacks transparency, and that it is difficult to find out about the total value of compensation. However, mentioned by all respondents, compensation is not a reason to leave Hilti.

5.3.4 Strategic Business

Strategic business employees do along with the other departments, trust Hilti to calculate bonus correctly and fairly. Most of the interviewees at Strategic business do not get motivated by an increase in pay, instead they argue that it would be seen as an appreciation or recognition for the work conducted. Yet, a discussion arises concerning the problem of meeting PMP goals and its development towards perceived as getting even harder to reach them, hence leaving the salary increase as a shortage. This creates a feeling from the employee of not feeling appreciated for the work executed and also raises the possibility for an employee to compare salary with others and thus, being appealed by competitors.
The perception concerning salary levels compared to the industry at Strategic business, is seen as the same as explained further by earlier units at Hilti as well, i.e. as in the middle range. Still for mid-managers, the salary is seen as little less in comparison to industry although the consciousness exists of offering a manager job to less experienced employees, which as a result makes mid managers feel fairly paid. Despite these comments concerning salary level, employees at Strategic business department are not mainly motivated by pay, instead motivating factors are explained as development opportunities, culture and colleagues, flexibility and finally closest manager. Paradoxical, is demotivating factors mentioned, such as not feeling that one contributes, no clear future career plan, autonomous tasks, too much administrative tasks and if not able to do correct job because lack of tools.

Aligned with the other departments, do Strategic business additionally perceive current benefits as standardized for the industry. Even though parental pay is seen as good, according to one employee, *"the reason that one has to deserve the pay by staying at Hilti for specific months prior to receiving it, goes in opposite direction of Hilti values, thus creating a sense of un generosity and not trusting the employee"*. Another employee strengthens the reasoning of having nisched benefits that are really beneficial since it is anticipated to be easier to talk about benefits than salaries with others and between colleagues. Resulting in a possible solution to spread a more generous picture of Hilti towards their employees, which is more aligned with the culture and atmosphere within the firm. Currently, employees express a confusion since Hilti is branded as a very generous firm, although while having benefits that are seen as standardized. Further, the importance of having benefits suitable for all Hilti employees are expressed, and not only for headquarter in Arlöv. Communicated and niched benefits that would be appreciated by Strategic business are better daily allowances, higher parental pay, gym at headquarter, being able to train during work time and massage possibilities at the office.

5.3.5 Sales

For Salespeople, the relationship between performance and reward is discussed as the most important motivational factor. Sales employees get paid a monthly basic salary as well as a bonus every tertiary, i.e. three times per year. In addition, Salesmen receive an annual bonus which is similar to other departments. The tertiary bonus is based on individual performance (25%) and on team performance (75%). Findings from interviews depicts divided opinions regarding the split up. One respondent is arguing that it has a positive impact on team performance and team culture while others mean it is a negative split up *"if you feel you perform better than the rest of the team"*. Another respondent concludes if employees had greater awareness about how bonus is calculated, one could influence it to a larger extent which could impact work motivation. In contradiction, other respondents state it is one's own responsibility to find information about bonus calculation and that it is easy to impact bonus via individual performance.

It has to be a well-defined link describing why a Salesman receive the specific bonus amount he or she does in order to impact motivation level. In addition, one employee states *"being well-informed about the bonus system increases credibility and transparency towards the employer"*.

A commonly mentioned aspect is that target sales goals are high and that reward is not related to performance. It is not worth to aim for "above expectations" when discussing the PMP goals, which is maximum salary increase. The respondents agree a pay increase would not affect performance level, as it would not reduce workload, which is perceived as the main issue for a majority of the respondents. However, a pay increase would generate a fairer relationship between input and output according to some respondents. An interviewee states increased performance level comes from intrinsic motivation, i.e. feel personal satisfaction when team and manager understand how to succeed and develop. A solution to this challenge

discussed by one respondent is a guarantee that this year's specific performance level generates a certain basic salary the following year. Also, one respondent concludes employees should receive feedback on other parameters than Hilti are using today. Right now it is based on number of contracts and visits, i.e. measurable factors. In order to be motivated and feel appreciated, the respondent would like to be measured in terms of softer parameters than a sales report, such as personal communication.

In contrast to other departments, the Salesmen have a high degree of knowledge concerning industry average salaries. A comment mentioned is that *"Hilti's basic salary in comparison with others is a big weakness, even though the bonus is good it is often basic salary that is compared between companies"*. Findings reveal Hilti has to compare themselves with others in order to stay competitive, and not only salary has to be competitive, performance and workload has to be equal as well. In contradiction, one interviewee argues that you can to a large extent affect your output as it is based on sales. Discussed in interviews and confirmed at the group discussions, employees experience unfair treatment concerning basic salary as newly hired employees receive the same basic salary independent on background experience, education or competence.

Findings from the Sales department conclude everything at Hilti is based on own performance and intrinsic motivation. The reason why Salesmen don't feel motivated to increase skill level is that it would not impact their basic salary. On the other hand, one interviewee states the employer has introduced a project separating salesmen into different grades, e.g. junior and senior salesman, which imply a higher grade on the grading scale hence a higher salary. The interviewee believe it might be an incentive to increase motivation and performance level.

When discussing financial and non-financial benefits, the Sales department are aligned with previous findings, i.e. that non-financial benefits are not a motivational factor as it is today. However, one respondent argues that Hilti can be better in visualizing the total value of compensation for all employees within the company. Likewise, one interviewee would like more transparency regarding compensation in order to strengthen credibility. Continuing *"as an account manager, it is easier to discuss bonus system with other companies if one has full awareness about current bonus system"*. Sales people agree benefits should be nation-wide and fit a large mass, right now it is perceived that "all benefits" are in Arlöv and that Salesmen around the country can't use them. However, benefits that are appreciated by Sales department are wellness contribution and car allowance.

An aspect mentioned by several interviewees is the way Hilti communicate bonus. According to respondents the bonus for Sales personnel is something one take for granted up to a certain level, while at the same time something one gets motivated by. Although, the interviews depict widespread opinions in this area depending on geographical location and team composition, e.g. how long one have been part of the team and what the customer segment looks like.

5.4 Training and Development

5.4.1 Finance

Training and skills development are not included in ordinary tasks for Finance employees. However, all respondents are arguing that training and development are major factors driving work motivation. What is mostly discussed by Finance employees is the importance of education to enable efficacy and self-confidence in daily tasks. One respondent states *"skills development is a hygiene factor to further develop and to remain with Hilti, but not with a necessarily correlation between skills improvement and promotion"*.

The respondents have a positive attitude towards career advancement opportunities at Hilti and states that it is a decisive retention factor. If interested in advancing to another field or department there are various opportunities, and especially if aiming for a sales position. The downside with hierarchical career advancement opportunities perceived by Finance employees is the need of being flexible and mobile as such positions are located mostly internationally. It is a significant factor impacting the opportunity for career advancement, which some respondents argue is a challenge depending on family situations. An individual career plan is brought up as a motivational factor as it makes the employee *"feel appreciated and gets the notion that Hilti invests in you"*.

When discussing training programs, there exists mostly unofficial training programs within the Finance department, skills improvement is strengthened through daily learning by colleagues. There are widespread opinions regarding the purpose and layup of training programs at Hilti. Respondents agree it is of major importance that training exists to ensure employees incorporate the right competencies to being able to contribute to improved organizational performance. In contrast, another respondent concludes currently training programs are designed to perform work tasks correctly, not to motivate the employee. Another factor mentioned are the time required for training and skills development, although it is perceived as a positive break from daily routines one should not feel stressed for missing valuable time to accomplish ordinary tasks. Findings reveal training programs at Hilti are mostly designed to form Hilti employees, e.g. "The Hilti way", and not to strengthen customer relationships and perform work tasks more efficient. When developing a training program, respondents argues that the employer must take prior knowledge among employees into consideration to best tailor the program and serve the purpose, i.e. to perform work task with more efficacy and confidence. Lastly, all respondents bring up external skills development as a positive retention aspect but which is currently lacking at Hilti. It implies training in specific systems and data programs as well as leadership courses.

5.4.2 Human Resources

Career advancement and development possibilities are of main importance for employees at HR, since it gives a feeling of being appreciated and valued by management. Additionally, it enables the employee to be developed and change tasks continuously, which according to HR, also strengthens loyalty and commitment.

For HR several trainings are offered, both possibilities in-house and external educations. This increases HR motivation since employees are developed and are able to attend flexible training opportunities. The interviewees at HR are very satisfied with offered possibilities currently at Hilti. However, potential improvements according to HR would be to have *"more external focus in all trainings given since it would develop the way Hilti employees think, bring improvements and furthermore also be a way to appreciate what distinguish Hilti compared to others".* Another aspect mentioned by HR is the need for individualized development plans, which soon will be delivered by a new platform called Fuse, hopefully fully ready until this autumn. One employee explains this individualized plan as critical to retain employees due to the increase of transparency in today's society. The easiness to search, contact and compare with other firms and employees exists nowadays.

5.4.3 Marketing

Training and skills development is of great importance for the majority of the employees at the Marketing department. Hierarchical career advancement is appreciated by most of the employees. Meanwhile others are motivated by staying at the current position and being more specialized within the field, i.e. a lateral career development. All respondents conclude one of Hilti's strengths is offering divergent career path. When discussing future career plans, a majority of the respondents strive towards other positions, even if they are satisfied in their current position. Respondents aim for a leadership position where they are able to impact decisions rather than getting impacted by decisions made by others.

Respondents emphasize the importance of a clear structure of how to keep and improve skills in-house. Alongside, a personal career development plan is discussed as a motivation tool and argued to have a positive impact on retention as all employees do not strive towards the same goals in work life nor at the same time in life. The newly hired employees highlights the individualized career plans as crucial while senior employees at Hilti are more aware of their career opportunities and feel a lower need of defined career plans. Instead, they put more focus into fair treatment. Lack of individualized career plans is discussed as a negative impact on retention as another offer might enable you to visualize a future career path for you which may be attractive if not seeing it at Hilti.

Some of the employees have a background in sales at Hilti and argues that internal education lacks attention at the marketing department compared to the Sales department. It is a demotivating factor and could be a reason to leave the employer, according to the interviews.

The internal training programs at Hilti are arranged to learn more about the culture and specific Hilti products. The Marketing department agree that Hilti is offering a good introduction period but ones you are in; it lacks further education. However, a lack of transparency of what trainings exists for office personnel is shown, according to the interviewees. Another respondent discusses the relation between training and workload. *"As the company is currently growing in a fast pace, some teams are understaffed which mean no*

time for training and development." Therefore, is training not structured to motivate and retain employees. Similarly, results from interviews reveal training at the moment is to be able to perform job tasks correctly rather than motivate individuals.

Areas to improve, as reported by respondents, are more structure and education around leadership, not only product related training programs. Furthermore, programs should be designed to ensure the company acknowledge the right competencies, especially on middle manager levels where it is a discrepancy between teams concerning what competencies middle managers hold. The mid managers interviewed at the Marketing department state education concerning applied leadership is necessary, but is absent at this moment. Lack of leadership education is having a negative impact on retention. Finally, respondents agree Hilti lacks external education opportunities. As one interviewee explained, if the company strives towards improved organizational performance, one cannot be afraid to compare structures and routines with competitors.

5.4.4 Strategic Business

Training opportunities are seen as a way Hilti can appreciate and motivate their Strategic business employees. Additionally, it is a way for employees to be competitive and do a better job. An important aspect mentioned by one interviewee is to see development as more than just changing position, but also development of current position and ways of working. Career possibilities at Hilti are seen as wide as long as employees are mobile, resulting in a positive impact on retention.

Moreover, are the employees at Strategic business mentioning a lack of an online training portal where educations are clearly shown and making it easier to self drive one's development. Additionally, is the absence of external influences on current trainings creating a need for receiving other perspectives and comparisons in order to do a better job. Another scarcity in present work situation is the ability to have more trainings specific for each position on a more ongoing basis. At present, are some trainings given on a regional level or so called E1 level, which generates the positive aspect of getting a lot of contacts in different countries. Contrary, are these trainings explained as sometimes very general with a race in shifting PowerPoint slides and also criticism of the trainings due to difficulties to apply to the Swedish market.

5.4.5 Sales

Aligned with other departments, development opportunities are a decisive motivation factor for the Sales department. Interviewees perceive a lack of opportunities within sales, resulting in a negative impact on retention. One respondent argues that it is difficult to reach a new level, which impact motivation negatively. Skills development is highly related to performance level according to one respondent. A personal career development plan where one can picture future possibilities creates a motivation to strive for a higher performance level. A downside with development opportunities at Hilti are the fact that most of them are

located at the headquarter in Arlöv or internationally which is discussed as a possible reason for turnover. However, one interviewee states career development is more important than compensation.

A part of the respondents pictures themselves in another position in five years from now, giving examples of both a sideway and vertical career, i.e. product specialist and management positions. However, what could make interviewees change employer is different since it is dependent on future career plans. The ones picturing themselves a future in Sales conclude amount of workload, compensation in relation to input and administrative tasks to be contributing factors for changing employer. In contrast, the ones not interested in a long term sales position are arguing flexibility as a decisive factor.

Training programs have been important for all interviewees, especially with regards to future career. It is mentioned that Hilti has good training programs for people not familiar with the construction industry which is a qualification to establish a good relationship with customer as a salesman. However, one interviewee wishes there *"was incentives to further educate and develop skills as is would motivate employees to improved performance"*. One respondent discuss external skill development would benefit both the organization and the individual, by sharing experiences with employees at managers at other companies, Hilti would strengthen sales skills and leadership competencies. A downside with training programs at Hilti, mentioned by a majority of the respondents, is the lack of adaption to the Swedish market. At the moment, programs have a standardized design to fit the E1 region which are not always applicable to the Swedish construction industry. It results in a negative impact on retention.

5.5 Leadership and Management

5.5.1 Finance

The Finance department is characterized by small teams and tight relationship with manager. Concerning the team, they are a main motivator for going to work. One respondent argues that "*the team is more important than the specific tasks"* and the entire department state the corporate culture as one of Hilti's main strengths when it comes to retain and develop employees.

All respondents conclude leadership as a crucial factor for influencing motivation and the ability to perform. Interviews clarify that leadership style is both a reason to stay and a reason to leave the company. Similarly, empirical results show leadership styles and their impact on motivation as good leadership leads to satisfaction while bad leadership generates dissatisfied employees. Respondents from the Finance department prefer direct communication and a clear hierarchical structure but emphasize the need of incorporating soft values as well. Furthermore, a manager that is inserted in daily tasks is a necessity for developing loyalty and commitment according to all respondents.

Mid managers are a crucial position within Hilti to remain a tight organization while the company is growing at a fast pace. Respondents are arguing that mid managers are

responsible for prioritizing tasks in times of heavy workload. Another interviewee states physical attendance by manager is necessary to strengthen confidence. The reason why such features are important is commented by three interviewees arguing quick response and feedback is necessary when working closely interlinked with customers. In times when lacking management support firefighting appears more frequent rather than focusing on how to target business goals. However, all respondents agree continuous feedback and personal meeting are crucial measures for motivation as well as improved performance. Recognition in terms of being appreciated and rewarded for accomplishment is influencing retention to a large extent.

5.5.2 Human Resources

Besides training and development opportunities, is leadership a highly motivating factor for the HR team. One respondent especially highlights the significance from a leader to situate the leadership towards each employee, individually, for instance to know when to push and when to pause. This is interlinked to earlier mentioned retention factors such as being able to show appreciation and give recognition for each employee. The current feedback and support at HR do satisfy the employees and makes them feel involved but also the feeling of having close relationship towards the Leadership Team. One respondent explains the reason for how this feeling occurs and that it has mainly to do with weekly meetings, especially after each Leadership Team meeting, which results in receiving information quickly of what is happening in the organization overall. This creates a feeling of involvement and consequently the sense of being appreciated and valued as an employee.

5.5.3 Marketing

For all interviewees at Marketing, good leadership is of great importance in order to be motivated at work. This since leaders are making one feel appreciated by giving feedback and support continuously. One respondent *states "Hilti's current biggest weakness is the middle managers"*. The organization has changed a lot the three latest years when growing. The company has been a large organization where it is not possible to keep the same contact with top managers anymore. Findings emphasize that the Leadership Team has to accept this, since it is the way a company transforms while bearing in mind how to keep a tight interlinked company, due to previously being a main motivational factor at Hilti. A tool for this might be to take advantage of external influences, for instance looking at other firms' development and to see how they have managed training, management and the growth. Concerning middle managers, the respondent argues that Hilti is responsible to educate and give feedback to middle managers in order for them to perform at work and spread motivation both up and down in the firm hierarchy.

Lack of management support is explained at the Marketing department. The reason is defined as high workload also for managers, giving them lack of time to really support the team in being involved in the day-to-day business. Alongside, employees recognize lack of management support as demotivating and impact performance level negatively. This is both

mentioned by newly-hired and long-stayed employees. Regarding feedback and support, all respondents unanimously agree it is needed for the Marketing department in order to feel appreciated and doing a good job.

Most interviewees at Marketing express the feeling of being involved in decision making processes, especially concerning their own development, which one have to push forward oneself. A comment announced by some employees is that it is difficult to develop and change position if the workload is heavy in current position due to loyalty towards the employer but also against current colleagues. Although, employees at marketing perceive themselves to have moderate to good involvement, while understanding that Hilti is growing, hence it is harder to control all processes. Undoubtedly, involvement is seen as a motivating factor having a positive impact on retention mentioned by all Marketing employees. Findings from the interviews reveals Hilti communicate a nuanced picture of themselves and that equity is perceived as a decisive motivation factor. A majority of the interviewees emphasize internal equity as more important than a comparison between others, i.e. a fair treatment for individual input and output is more important than total amount of reward in terms of support and compensation. In contradiction, two employees perceive that not everyone has the same development opportunities within Hilti.

5.5.4 Strategic Business

Agreeing with the other departments at Hilti, do Strategic business employees value and appreciate leadership as a motivating factor. The interviewees push the aspect of individualized leadership by spreading recognition and appreciation through seeing all employees, which as a result makes employees feel valued. At Strategic business the leadership is seen as good especially due to small teams and making employees feel appreciated. A substantial comment made during one interview was that *"one does not change position, one change manager",* thus emphasizing the importance of leadership as a retention factor. Another factor contributing towards individualized leadership, is that each interviewed employee at Strategic business have different needs and motivating factors, some are searching for achievement while others are happy and feeling safe at current position.

Results from the conducted interviews at Strategic business shows that junior employees demand a higher level of feedback and support than senior employees. Workers at Strategic business explains a positive view concerning being involved in decision making at Hilti. Further, an employee mentions a need of having *"narrower goals in order to clarify what the expectations on that employee are".*

5.5.5 Sales

The sales team are divided into groups with 6-8 Account Managers (AM) reporting to an Area Sales Manager (ASM) which in turn reports to the Sales Directors in the Leadership Team. In total, there are 135 salesmen, which represent one third of total employees in Sweden. Leadership style and team affiliation are important drivers for all salesmen. One respondent

states that one gets motivated by the team mostly because you depend on each other's success. A majority of the respondents at the Sales department appreciate the leadership style at Hilti where you work close to your manager who gives employees a freedom and responsibility to build a case with customers. In contradiction, but aligned with other departments, some respondents perceive the manager of not having enough awareness and knowledge about daily routines which impact motivation negatively. Continuing, various Salesmen emphasize that *"it is a lack of situational leadership, i.e. awareness of that different customers need different treatment"*.

There are widespread opinions regard feedback and support from manager but the overall opinion is that there might be a lack of individual and situational feedback, e.g. *"when in a new position, you need more support and directions from manager and after a while one could work more freely"*. Findings from interviews stress the amount of workload and links it to feedback and support. Within current situation there is no time to sit down and discuss new ideas and development opportunities as it is too much pressure on sales.

The Sales department perceives that it is difficult to impact decision making processes at Hilti which is partly positive according to the Sales team, since it is a clear structure and process. Hilti apply a top-down approach with standardized procedures that creates a stiff meanwhile a secure organization. However, it is mentioned that decisions impacting each region have to be adapted and arranged to suit the regional market. Interviewees relate this to the bonus system and personal goals *"which has to be designed to fit customer segment, otherwise it has a negative impact on motivation as you feel you are not able to influence reward"*.

Regarding PMP goals, interviewees perceive a progress the latest year with a relevance to each account manager. Goals have to be flexible and concrete as they are tightly interlinked with motivation and performance level concerning output and input. If goals are not individualized, it becomes demotivated and a reason to change employer. When further discussing the relation between input and output, interviewees state they don't change input level due to loyalty towards customer and the company. Instead it becomes a reason for turnover.

6. Analysis

In this chapter, the empirical findings and theoretical framework are contradicted and broaden upon in order to illustrate and explain how motivational factors impact the case company's employee retention strategy diverged into each department. The chapter is divided into two main areas. The first section incorporates an analysis of the chosen retention strategies. Each strategy starts with a general discussion of what is characterizing Hilti as a company and is followed by a business unit specific analysis. Then, each retention strategy is summarized in a table displaying similarities and differences between departments. The second section of the analysis aims to highlight the impact and usage of motivational factors in order to identify possible improvement areas.

Empirical findings incorporate both results from the pre-study as well from the main study. It is relevant to contrast them against each other in order to find both alignments and issues between the Leadership Team, middle managers and employees. The focal point will be on conditions and aspects found to be of peculiar interest, e.g. where empirical contribution could be generated or theoretic possibilities which Hilti Svenska AB could start to apply in order to improve the company's employee retention strategy.

6.1 Compensation & Benefits

Motivational Factors	Theoretical framework	Empirical findings	Analysis
Industry average salaries.	An average salary compared to the industry is important in order to retain employees.	• Different perceptions between Leadership Team and employees about whether salaries are competitive or not in some departments.	Some correspondence All departments except Sales perceive themselves as fairly paid.
Monthly pay (salary and bonuses).	Compensation is a hygiene factor. It is a tool to reduce dissatisfaction rather than increase satisfaction.	• A pay increase would not impact performance or motivation. • A pay increase could impact motivation via a sign of recognition and appreciation. • Employees do not remain with Hilti because of compensation. • Salary has to be fair and competitive. • Bonus is both a motivator and a hygiene factor.	Some correspondence Pay increase is not motivating employees, although the bonus can motivate them.
Balance input versus output.	Balance between input and output creates motivation.	• All department perceive an imbalance between input and output, which reduces motivation. Especially Sales	No correspondence

		and Marketing due to high workload because of organizational growth.	
Job-based approach (grading system).	Job-based or skill-based approach could be used to categorize compensation.	• Hilti applies a job-based approach connecting salaries for tasks rather than skills. • Hilti employees are motivated by training and skills development.	Based on empirical findings, Hilti could benefit from using a skill-based approach instead of a job-based approach.
Benefits.	Benefits can be designed to have a positive impact on motivation and retention. Employer must base reward package on employee motivational factors.	• Hilti benefit package is standardized but is not a reason to leave. • Do not impact motivation today but could if changed. • The pre-study and the empirical findings display a conflict about which benefits exists and what features are really perceived as benefits.	No correspondence
Transparency of rewards.	Transparent communication of reward packages reduces perception of imbalances.	• Low degree of awareness about benefits.	Some correspondence Employees knows where to find information but want more and clearer information.

Table 9. Correspondence between theoretical framework and empirical findings - Compensation & Benefits.

At Hilti, employees in all departments except Sales mention that they are fairly paid in relation to market average. Overall, interviewees state compensation as having no big impact on retention. The statement corresponds to the theory of having competitive salaries that are at least the same as industry average in order to make employees remain within the firm and stay motivated (Mita et al., 2014; Merchant & Van der Stede, 2012). The Sales department are arguing that Hilti is paying below average when comparing basic salary. According to exit interviews and among discussion with Sales personnel salary is explained as one of the main reason to leave while at the same time not being discussed as a motivational factor among current employees. Aligning with Merchant and Van der Stede (2012), salaries below industry average is explained as a retention issue. As discussed in the pre-study, the Sales department has faced the biggest challenge with employee turnover, due to higher offerings from other firms.

Employees at Hilti, with exception of Sales, reveal in the empiric that a pay increase would not motivate them to perform better, however, discussions show that the input an employee puts in, needs to have a fair output in return. It is aligned with Herzberg (1959) stating compensation as a hygiene factor in order for not having dissatisfied employees. Likewise, Bhatnagar (2007) clarify compensation as an important part of a firm's retention strategy for improved employee retention. Even though Hilti employees state that one does not work at Hilti because of the compensation, respondents agree salary to be a vital feature that must be

competitive to not decrease retention issues. The argument aligns with Christeen (2015) meaning that reasons for leaving are not the contrary of reasons for staying, i.e., exit interviews reveal employees leave because of the pay and empirical findings conclude people stay due to other factors, such as development opportunities.

The connection between performance and reward, input versus output, is an important factor for motivating employees. Some Hilti people express the amount of workload as not fair compared to reward. It is correlated with the equity theory by Adams (1963) emphasizing fair treatment at work. Empirical findings reveal the input versus output ratio in relation to performance and reward is not perceived as fair. For instance, if employees are accepting extra tasks, there is no extra reward in terms of salary increase. Even though Hilti employees are having different needs, nearly all agree that the salary is not a motivating factor and not the reason why they work at Hilti. Although Hilti employees might be dissatisfied with pay, which is correlated with the security level (Maslow, 1943), respondents strive further in the need hierarchy to reach affiliation, esteem and self-actualization. Meanwhile, aligning with Herzberg's theory (1959), a pay increase could lead to an increase of motivation, since the interviewees mention that a pay escalation could motivate them via being a sign of appreciation and recognition. Both are variables displayed as motivator factors in Herzberg's (1959) theory, thus making employees satisfied.

Hilti uses a grading system for categorizing compensation where a specific title imply a certain salary. It is discussed in the empiric as a factor lowering motivation among Hilti employees. The grading system is correlated to the job-based approach connecting salaries to specific tasks and not for the skills one possesses (Milkovich et al., 2012; Dessler, 2008), hence not making employees continue to train and develop one's abilities. However, the empiric displays that almost all interviewees are motivated especially by training possibilities and opportunities to learn new things, which confronts the theory of the job-based approach used at Hilti (Milkovich et al., 2012; Dessler, 2008). Instead, is a skill-based approach where employees get paid for acquiring a certain level of skills better suitable for Hilti since competence training is mentioned as a motivational factor. This generates a possible way to align retention strategies with motivational factors even further.

All departments are contented with present benefits, although they mention the benefit package as of being standardized and not anything outstanding, resulting in benefits at Hilti having a negative or no impact on employee retention. It heightens the theoretical aspect of revising existing package while replacing those benefits that are not useful (Irshad & Afridi, 2012) to enable benefits having a positive impact on retention for the future. Nevertheless, this study is able to provide Hilti with information about what benefits are most appreciated and thus, do influence employee retention. Brought up in the empirics, health insurance, wellness contribution and improving quality of life, are examples of benefits generating a positive impact on retention. Irshad and Afridi (2012) state benefits based on individual preferences are vital when designing a compensation strategy. Compared to the market and other firms, the benefits are expressed as standardized especially concerning the fields of flexibility, wellness and vacation days. Although, if these standardized benefits wouldn't

exist, employees mention that a dissatisfaction would occur, hence being a sign of a hygiene factor (Herzberg, 1959). This strengthens that a removal of any of these above mentioned benefits, would create dissatisfaction which could impact the retention strategies in a negative aspect. Even though workers argue improved benefits would have a positive impact on employee retention, they do not affect workers' performances. The statement aligns with Decenzo and Robbins (2007) who still argue that a benefit package is a powerful tool in a firm's retention strategy. This discussion leaves a gap for the Leadership Team to evaluate if there are any benefits that could be improved to impact both performance and motivation in a positive way, since it then could decrease retention rates.

The pre-study and the empirical findings display a conflict about the overall existing reward package, where the Leadership Team emphasizes the package as attractive meanwhile, according to employees, are some features not perceived as benefits and do not motivate them. Irshad and Afridi (2012) conclude that a company must identify what benefit impact employee retention and hence, provides the academic proof of that Hilti have to revise their current benefits. Concerning communication and transparency of rewards, interviewees mention that they have the knowledge of where to find the information i.e. on sharepoint, but still they lack awareness of exactly which benefits exists. The improvement of communication in the field of reward appears, which is significant in order to profit from desired results (Armstrong, 2006). Transparency of rewards is further developed as significant by the equity theory in order to enable comparisons and reduce perception of imbalances (Adams, 1963).

6.1.1 Finance

Results from interviews distinguish between intrinsic and extrinsic motivation in a workplace situation and even if a person mainly is driven by intrinsic motivation, the extrinsic factors have to be fulfilled, i.e. compensation has to be in line with the individual's performance and knowledge level. This reasoning is aligned with the need theory (Herzberg, 1959; Maslow, 1943) arguing hygiene factors and psychological factors have to be fulfilled in order to motivate an employee and have a positive impact on retention.

Academic literature states that employee retention strategies have to be in line with business objectives (Know & Freeman, 2006). Explained by the Leadership Team, Hilti's goal is not to be a company with salaries above industry average and therefore is the compensation strategy at Hilti aligned with research, thus, the compensation is viewed as beneficial. Contradictory, the overall reward package is not perceived by Finance employees as beneficial, initiating a discussion concerning communication of rewards as the Leadership Team and the employees do not have the same perception of compensation at Hilti. In line, Irshad and Afridi (2012) state the way rewards are communicated is crucial in order to reach desired results. Researchers have found no support in academic literature for an optimal way of how to communicate rewards but as one Finance employee suggests, via an app might be an innovative way.

Finance employees are not motivated by current benefits as they are not fulfilling their needs of feeling appreciated and affiliated, supported by the need theory (Herzberg, 1959; Maslow, 1943) nor are respondents able to picture the relation between performance and reward. There are no incentives to further educate or acquire new skills as it would not impact the level of reward. It is discussed in the expectancy theory (Vroom, 1964) and supported by Decenzo and Robbins (2007) arguing most benefits are not aligned with performance and therefore, will not impact employee performance. The implication of a successful employee retention strategy in the area of compensation and benefits is to arrange the reward package to motivate the employees (Decenzo & Robbins, 2007) by structuring compensation to be a motivator and not a hygiene factor (Herzberg, 1959). Associated, Finance employees do state that the yearly bonus is a motivator, thus translating the hygiene factor into a motivator and questioning the two-factor theory explained by Herzberg (1959).

6.1.2 Human Resources

HR highlights the issue of having a too narrow salary range within a specific grade, resulting in a prohibition to value competent and experienced employees. This challenge the theory by Pollitt (2007), regarding the strive for a firm to not have too extensive differences in between salaries of employees conducting similar tasks, since it would retention within the company.

Neither the HR department are motivated by benefits provided by Hilti today. It is supporting the argument that the reward package must be designed as a motivational tool to use it as a successful retention strategy (Decenzo & Robbins, 2007). Another possible option expressed by HR is to use a better benefit package in recruitment as well, as a sort of a marketing tool for Hilti. This aspect is not brought up in academia, thus a contribution is generated.

6.1.3 Marketing

The grading system at Hilti is perceived by Marketing as a simple and logic system making it easy to understand reward level. Agreeing with theory (Milkovich et al., 2013; DeNisi & Griffin, 2008), stating that job-based approach of categorizing salaries is easier to understand, administrate and therefore simple (Mitra, Gupta and Shaw, 2011). However, the employees at Marketing mention the issue of low grading independently of earlier competences and sum of work tasks, which lower their motivation since not more paid even though responsible for more work tasks. Concerning the narrow salary range earlier displayed by HR and contradicting the theory by Pollitt (2007), Marketing is agreeing with the lack of possibility to value an experienced employee as Hilti applies the traditional job-based approach of setting salaries. In contrast, do a skill-based approach benefit those employees that are motivated to learn new skills and acquire new knowledge (Mitra et al., 2011) which applies to motivational factors expressed by Marketing employees. It enables Hilti to reward employees who wants to perform at a higher level and is suitable for Marketing employees who get motivated by acquiring new skills and being recognized by managers. A skill-based approach could contribute to an increased knowledge and skill-level at Hilti but with the downside that the competitiveness within job ranks may cause internal conflicts. The reasoning is touching the

concept of equity theory presented by Adams (1963) and discussed as an important feature for Marketing employees. Employees may perceive inequity when colleagues make more money performing the same tasks. Consequently, designing transparent reward systems as suggested by Armstrong (2006) with influences of both the skill-based and job-based approach appears vital for Hilti to improve retention.

The yearly bonus is explained as a motivator and a way of showing appreciation from the management point of view. However, the interviewees from the Marketing department state it has become a hygiene factor, i.e. something employees expect and if it is absent, it increases dissatisfaction. It stands in contrast to Herzberg (1959), meaning a motivator should increase job satisfaction. In order for the bonus to continue being a motivator and create job satisfaction a solution might be to communicate how Marketing employees are able to impact the profit for MO SE which is the basis for the yearly bonus. It results in a transparent communication of what efforts leads to a higher performance and an improved retention rate.

Concerning the benefit package, Marketing emphasize the importance of creating innovative and outstanding benefits rather than raising the sum of them to enable an improved motivation level. It contradicts the expectancy theory model, stating a possible way to increase motivation for an individual is via increasing the number of rewards employees gets (Wang & Hsieh, 2013). Additionally, several respondents clarify a few but niched benefits would be more motivated than present benefit package.

6.1.4 Strategic Business

According to the extended expectancy model (Porter & Lawler, 1968), employees will give more effort and motivate themselves more if they assume they will be appreciated and rewarded for the task. This is aligned with Strategic business opinions and feelings regarding the difficulty of meeting PMP goals, which creates a sense of not feeling good enough and reducing motivation at work, thus strengthening retention issues. The yearly salary increase is dependent on meeting the individual PMP goals, which increases the risk of falling behind industry salaries if PMP goals are not situational adapted.

The employees mention a confusion regarding benefits since Hilti is branded as very generous, while having rewards that are only standardized. Decenzo & Robbins (2007) are emphasizing the demand of today's employees to expect more than just a competing salary, meaning existing demand such as of supplementary benefits contributing to a more engaging and motivating working atmosphere. Respondents align with the theory above, confirming that employees have higher expectations on an employer than just to receive a fair monthly pay. For instance, is wellness contribution demanded by employees in order not to have a negative impact on retention. Furthermore, are health insurances and enhanced amount of wellness contribution explained by interviewees of having a positive impact on retention.

Moreover, employees at the Strategic business department state that the absolute amount of compensation is not the most important motivator but rather to achieve a fair reward in

relation to co-workers, competitors and input level. It is aligned with equity theory stating when employees perceive an imbalance, an action could be to reduce input level (Champagne & McAfee, 1989). Strategic business employees confirm the statement and discuss it as vital in order to have a positive impact on retention. When employees are mainly motivated by equity, Pinder (1998) states transparent reward systems is vital. This correlates with the Strategic business department who expresses processes and transparency for allocating salary and bonus are of great importance.

6.1.5 Sales

Clearly sales employees emphasize the significance of being aware of how their bonuses are calculated, since it would be easier to know how to impact output received, thus motivating the employee and resulting in a positive impact on retention. This reasoning correlates with the expectancy theory by Vroom (1964), affirming that while being transparent the firm enables a clear connection between effort, performance and reward, which is expressed as important for motivating workers at Sales. Another aspect mentioned by several interviewees is the bonus, which is something one take for granted up to a certain level, while at the same time being a motivating factor as well. From the Leadership Team point of view, the bonus has the purpose to act as a motivator and stimulate the employees to performance better. Contrasting this to Herzberg's (1959) two-factor model, the basic salary is defined as a hygiene factor and the bonus as a motivator. The Sales personnel agree that an increase of the basic salary reduces job dissatisfaction but might also positively impact retention. However, when the bonus is taken for granted, it is not seen as a motivator and thus, does not create job satisfaction but rather dissatisfaction if not met. Resulting in contradicting the theory by Herzberg (1959), hence showing a negative impact on motivation and retention.

Although, Sales personnel do additionally mention that some part of the bonus may motivate them and their team to perform better, which means that the bonus is both a motivator and a hygiene factor in the Herzberg (1959) theory. A retention issue appears since Sales personnel mention the bonus as something taken for granted while at the same time not comparing bonus amounts with offerings from competitors, then only basic pay. A transparency solution is optional in this case, as suggested by Pinder (1998). Findings from exit interviews are concluding that turnover challenges are the greatest within the Sales department, hence supporting the argument of having a transparent compensation plan with a clear overview with what is included in each individual's compensation. If employees have a higher degree of awareness about their total compensation package, it could be used as a basis for argumentation when receiving offers from competitors, hence impacting retention positively.

Currently, the sales team perceive their PMP goals to be too hard for being above expectations or to even meet them, which reduces their motivation to reach the goals and instead makes them re-focusing towards getting higher bonuses as it results in a higher paycheck. Agreeing with the expectancy theory (Vroom, 1964), where their effort and performance don't correlate with their received rewards, makes employees change their motivation and efforts towards bonus instead. Although, an agreement exists among Sales that

if they would reach the goals and get a pay increase, still they wouldn't be motivated enough since an imbalance between output and input still would exist. This is, according to the extended expectancy theory by Porter and Lawler (1968), due to high effort and workload which are not equal to total rewards received for the performance attained. It results in lack of satisfaction in the Sales team because of an unfair feeling and generating a negative impact on retention.

This equality aim is explained by the Sales department, to be applicable not only for the basic pay, but also for the high demands in the fields of performance and workload, expected from the employer. Hence, in compliance with the aim of equity among individual input and output, and additionally expected output from other competitors (Adams, 1963). Salary is explained by Sales personnel of being a dissatisfier currently due to these explanations generated above and also given during the exit interviews to Hilti in the pre-study, thus emphasizing salary as a hygiene factor and not as a motivating factor (Herzberg, 1959) for the Sales department. In addition, salary is explained as a demotivator on the basis that Sales employees receive the same basic salary independently on background experience, education or competence, which could be argued as both fair and unfair treatment according to Adams (1963). In contrast, do Robbins (2001) and Pinder (1998) agree such factors influence outcome and contribute to perceived inequity. As the employees at Sales are motivated by equal treatment, it is crucial for Hilti to design transparent reward system as discussed by Pinder (1998).

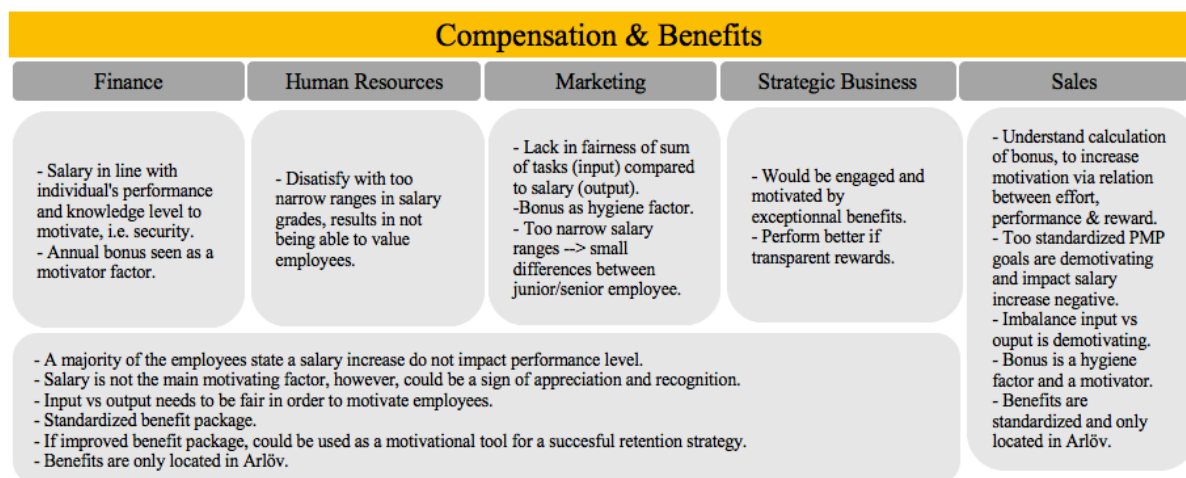*Figure 16. Overview of department specific features for Compensation & Benefits.*

6.2 Training and Development

Motivational Factors	Theoretical framework	Empirical findings	Analysis
Internal career opportunities.	A relationship between job satisfaction and job promotion increases motivation.	• Hilti employees are motivated by internal career opportunities.	Correspondence

		• Overall perception - widespread career opportunities at Hilti.	
Incentives for trainings and development.	Employees will make more effort if they believe they will be recognized and rewarded for accomplished tasks.	• Hilti offer few incentives to further develop skills - due to seen as own responsibility. • Employees experience it is hard to visualize what future one could expect based on effort and performance.	No correspondence
Training and development programs/plans.	Individualized trainings, skill developments and career opportunities are explained as vital to stay competitive and create motivation. A structured approach towards training and skills development could generate a higher level of performance.	• Absence of an overview of training programs and an individualized plan, impact retention negatively. • The Leadership Team express the training and development strategy is one of Hilti's strengths. • Hilti lacks a comprehensive strategy concerning skills development, training and career opportunities.	Some correspondence A lot of trainings exists, especially for Sales. A holistic approach which may be individualized is needed, for all departments.
Applicable trainings with clear purposes.	Training programs need a defined purpose and must be based on motivational factors and individual needs.	• Some training programs lacks adaption to the Swedish market → negative impact on retention. • Hilti employees requesting external training programs and leadership skills practice.	Some correspondence Statement lacking support in academic literature → empirical contribution.

Table 10. Correspondence between theoretical framework and empirical findings - Training & Development.

The table displays a summary of aspects found to be of particular interest, e.g. where researchers have found contradictions and correspondence between academic literature and employee motivational factors at Hilti.

Research depicts a relation between job satisfaction and job promotion (Rolfe, 2005). The statement could be translated to the empirical findings as most of the respondents are motivated by career development opportunities internally offered at Hilti, and also that employees are satisfied with Hilti as an employer. Similarly, Greller (2006) concludes employees remain with the employer if career advancement opportunities are the main motivational factor. Both external and internal employee surveys conclude Hilti as a good employer where employees remain. However, mentioned by many respondents is that Hilti offers few incentives to further educate and develop skills. When linking this to the extended version of the expectancy theory discussed by Porter and Lawler (1968), employees at Hilti are not applicable to the researcher's argument that employees will make more effort if they believe they will be recognized and rewarded for the accomplished effort. Instead, skills

development is each individual's responsibility and the employer do not provide a clear set up for what an employee could expect based on its effort and performance. It is expressed as a factor lowering both motivation and work performance.

Brought up in the pre-study and discussed by a majority of the respondents, career development opportunities are one of Hilti's main strengths. The argument is confirmed in literature by Hiltrop (1999) and Horwitz et al., (2003) concluding training and development as a vital retention factors to stay competitive. On the other hand, respondents perceive a lack of training programs and skills development opportunities which impact motivation level negatively. Importantly, the Leadership Team distinguish between skills development, training programs and career development. Hilti offer divergent career paths but do not clearly describe what actions and skills are required to reach there. According to literature, a well-defined structure between effort, performance and reward is vital to strengthen employee motivation (Abrahamsson & Andersen, 2005) but which is currently lacking at Hilti. Hence, there appears to be a discrepancy in how the retention strategy is communicated and how it is perceived by employees. Moreover, skills development is not brought up in the pre-study as a tool to experience further development opportunities. Related to literature, Valle et al., (2000) are arguing that skills development via training programs contribute to organizational performance and commitment. On the one side, empirical findings partly correlate with this statement as interviewees conclude skills development as important for performing work tasks correctly but there are other factors; such as career advancement opportunities and management support, that to a higher degree impact organizational commitment. On the other side, a structured approach towards training programs and investments in continuous training could generate a higher level of performance (Elnaga & Imran, 2013), which is additionally demanded by the employees. Based on these arguments, it appears that skills development and career development are two related yet different retention strategies and where Hilti might lack a comprehensive system to support strategies concerning training and development. An improvement in this area would have a positive impact on retention at Hilti. However, HR discuss a solution to this challenge, a new e-platform which will be fully launched this fall, that will increase awareness and transparency around training and development at Hilti. Such action is mentioned by Irshad and Afridi (2012) as the key to develop effective training programs. Academic literature emphasizes the importance of designing training programs with a clear purpose (Irshad & Afridi, 2012; Ramlall, 2004) which is currently commented as a pitfall at Hilti. For instance, it is mentioned that training programs are not enough adapted to the Swedish market and do not serve the demand of Swedish customers. It is discussed by Wright et al., (2011) that training programs which are not stimulating motivation and commitment could contribute to an increased turnover rate. Aligning, do respondents argue if the employer fails to provide relevant and continuous competence training it could be a reason to leave the firm. Accordingly, it is a relevant factor to discuss when formulating the future training strategy at Hilti.

As described in the empirical findings, current training programs at Hilti do not encourage skills development with external features, e.g. workshops with other companies, horizontal courses or lecturer from outside Hilti, a statement lacking support in academic literature.

However, Ramlall (2004) emphasizes training programs which should be based on individual needs and thus, Hilti could benefit from bringing in external element in their training and development strategy. Similarly, several respondents push the importance of having ongoing leadership trainings more often for mid-managers, which not always have to be in larger scales. This would reduce uncertainty for mid-managers in their leadership skills, which impacts performance and organizational commitment positively, a statement that is related to research arguing turnover rates decreases when workers feel able to perform work tasks (Elnaga & Imran, 2013). An issue appears as the Leadership Team conclude two of Hilti's main strengths when discussing retention strategies are training and development. By identifying employee goals and objectives as suggested by Rowden (2002), Hilti are able to design training programs based on employee motivation. Additionally, by incorporating leadership skills practice more continuously in the retention strategy, Hilti could enhance organizational commitment that is explained as vital in the area of improved retention according to Mita et al., (2014).

6.2.1 Finance

The study reveals that Finance employees are motivated by training and development opportunities but in contrast to Herzberg (1959) who argues personal growth and recognition is a motivator, one respondent states it is a prerequisite to remain with Hilti, hence a hygiene factor (Herzberg, 1959). On the other hand, co-worker relationships, working conditions and supervisor quality are the most important motivators for Finance employees and the reason the respondents remain with Hilti. The reasoning cannot be applied to Herzberg's (1959) two factor model which states that such components are a necessity in order to reduce job dissatisfaction rather than enhance job satisfaction, thus contradicting the theory.

As all Finance employees strive for development, even though in different time perspectives, one could argue that the lower needs presented by Maslow (1943) are fulfilled and that respondents aim to reach affiliation and esteem via a good working culture and the feeling of being needed. This reasoning is supported by the fact that Finance employees are satisfied with current economical compensation and are not motivated by pay increases. This is also aligned with Mita et al., (2014) who are arguing that career development opportunities have a higher impact on employee retention than financial rewards.

Concerning skills development, Finance employees agree training programs as an important feature in order to ensure that the right skills are acquired. Respondents state the department lacks structured continuous training and that most of the skill development is incorporated in daily work. Applicable knowledge in the data system used is commented as an appreciated feature for improved performance at the Finance department. This is aligned with theory (Deery, 2008; Elnaga & Imran, 2013), stating that such elements have a positive impact on employee retention. However, when analysing the previous employee surveys, turnover challenges has not impacted the Finance department to a large extent. Then, the reasoning is questionable i.e. even though Finance employees experience an absence of training programs, it is at this present not a reason to leave the company in that specific department.

Even though career development opportunities are seen as a main motivator, Finance employees are satisfied in their current position. This could be related to Adams (1963) thoughts concerning that individuals are motivated when they have the possibility to impact and change path. Therefore, do Finance respondents perceive a fair structure in regards to existing career opportunities.

6.2.2 Human Resources

An individualized career plan is described as a tool that could motivate employees, discussed by HR and other departments, but which is currently lacking at Hilti. Researchers have not found support in literature for a retention strategy incorporating an individualized career plan although with regards to motivational theories, it appears as a successful strategy as training programs should be based on individual motivation and enhance organizational commitment. An individual career plan aligns with Maslow's (1943) hierarchical need theory where employees strive for a higher level by fulfilling unmet needs. Also, if able to visualise the path between effort, performance and reward (Vroom, 1964), an employee gets motivated. Translated into practice, the career plan describes what actions are needed to reach future goals, and what reward is guaranteed for that degree of effort.

6.2.3 Marketing

In order to enhance organizational commitment, Prince (2005) argues career advancement opportunities must be communicated at the time of hiring. When contrasting this with findings from Marketing interviews, research depicts widespread differences dependent on age and geographical aspects. Junior employees state career advancement as more important than senior employees. Concerning age differences, it could be translated to Maslow's (1943) need theory where junior employees at the Marketing department are motivated by career development, new responsibility areas and leadership characteristics; what Maslow's (1943) defines as striving towards self-actualization. In contrast, do senior employees value a fair treatment higher than fulfilling unmet needs and find new career opportunities. The concept of fairness and equity is discussed by Adams (1963) and Robbins (2001) arguing that people compare input in terms of experience, education and competence with received output. Aligned with Champagne and McAfee (1989), senior employees state that an action when not perceiving fair treatment is to quit the job which creates a retention issue.

Training programs for the Marketing department are structured to learn more about Hilti products and Hilti culture. Contrasted to Wright et al., (2011), are interviewees arguing that training programs for the Marketing department could be seen as a stress moment instead of motivating the employees due to the amount of workload. Wright et al., (2011) and Rowden (2002) stress the importance of design training programs which strengthens motivation but in the case of Marketing, it appears that some programs do not enhance performance. Lacking commitment features in training program impact retention negatively and could enhance the retention rates.

6.2.4 Strategic Business

The Strategic business department gets motivated by training and development as it creates a sense of feeling appreciated by managers as well as by the company. When contrasting this reasoning with Maslow's (1943) need theory, Strategic business gets motivated by psychological needs i.e. fulfilment outside the employee in terms of interpersonal contact. According to Maslow (1943) and Champagne and McAfee (1989), self-actualization is reached by training and encouragement of creativity. With regards to training and development, Strategic business conclude self-actualization via creativity is not stimulated by current trainings and accordingly, managers have to identify another motivation if aiming to reach the highest level in Maslow's (1943) hierarchy.

In contrast, appreciation and recognition is recognized as tools to enhance motivation according to Herzberg (1959). What can be viewed as problematic is that intrinsic components are dependent on external influences as recognition, which in the case of Strategic business involves manager's presence as such. Supported by Valle et al., (2000), training programs are beneficial for a company to strengthen the bond with employees. Even though training and development have a positive impact on employee motivation for Strategic business, it lacks elements in daily businesses and especially the design for each position in the department. This correlates with Elnaga and Imran (2013) who state an efficient retention strategy concerning training and development must be based on employee previous knowledge and communicate the objectives for the programs to enable translation into daily working routines.

6.2.5 Sales

The empirical findings conclude training and development opportunities are vital for employee motivation in the Sales department. Interviews and conducted exit-interviews with former employees reveal development opportunities as both a reason to leave and a reason to stay at Hilti. Researchers (Greller, 2006; Rolfe, 2005) are aligned with the empirical findings arguing internal career advancement opportunities enhance employee retention. Moreover, a majority of the respondents are explaining that they picture themselves in another position in five years which agree with Maslow's (1943) argument that individuals strive for self-actualization.

When discussing career advancement opportunities with the Salesmen, several aspects are mentioned, however, it is dependent on the individual's own responsibility to seek advancement. It is discussed by Irshad and Afridi (2012) that a successful employee retention strategy concerning development is based on communication and at the time of hiring present future available options. The reasoning is confirmed by the respondents who are arguing that a career in sales is a good start if aiming for a specialist or manager position within Hilti. Nevertheless, the empirical findings reveal that a downside with Hilti is the lack of future career opportunities outside the HQ if aiming to still work with Sales. The aspect is mentioned in the pre-study by the Leadership Team and explained in interviews with former

Hilti employees. As the company is growing in a fast phase, Hilti has the opportunity to create advance positions outside the HQ, resulting in a positive impact on employee retention.

Internal training programs aim to strengthen competencies and perform work tasks correctly, which is seen as an important motivator for the Sales department and essential for creating long term customer relationships. In contrast, Elnaga and Imran (2013) are arguing that training is also important for management appreciation, which is not the case with Salesmen who state that management appreciation comes mainly from daily conversations.

On the contrary, research depicts the need of training programs to be based on individual motivators to enable organizational commitment (Wright et al., 2011). Even though salesmen get motivated by being able to perform work tasks correctly they experience a lack of education concerning ongoing skills development which impact retention and motivation negatively. Salesmen thoughts are aligned with academic literature but for the employer to increase organizational commitment, skills development actions must be reorganized.
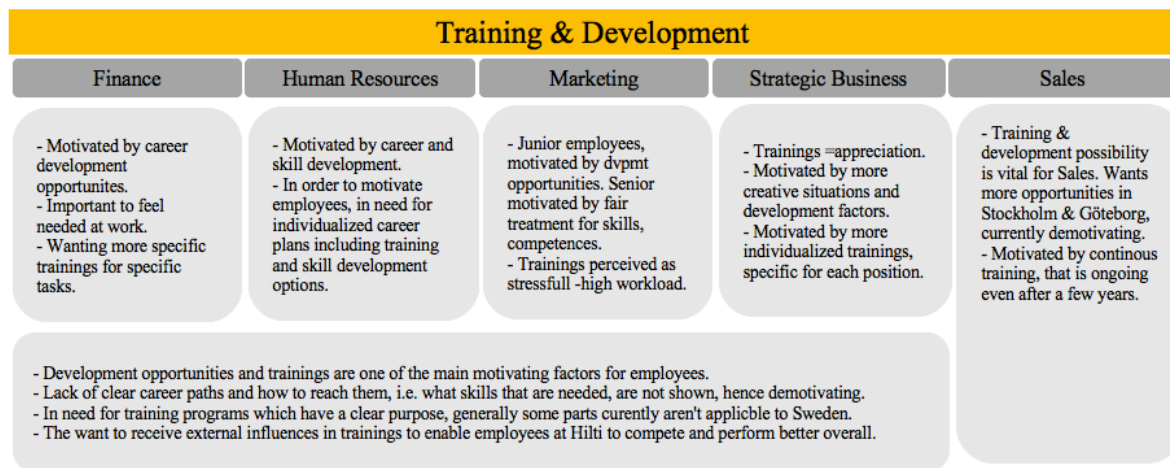
Figure 17. Overview of department specific features for Training & Development.

6.3 Leadership and Management

Motivational Factors	Theoretical framework	Empirical findings	Analysis
Importance of good management.	Management is a key success factor for employee retention.	• Employees express management and leadership as a strength at Hilti vital for work motivation and retention.	Correspondence

Involvement in and understanding of processes.	Organizational justice is a factor that impact an employee's' decision to stay with or leave the company. Involvement in and understanding processes and procedures at work has a positive impact on retention.	• Hilti employees perceive a fair distribution of support and feedback → positive impact on retention. • Confidence in the employer - routines and procedures in place. • Sales - a low degree of confidence concerning bonus allocation.	Some correspondence Diversified findings in different departments due to dependent on each mid-manager. Understanding processes regarding PMP and bonuses are questionable especially by Sales.
Close teams and internal relationships.	A leadership strategy aims to strengthen internal relationships and improve continuous development.	• The Leadership Team highlights Hilti's leadership strategy → small and interlinked teams. • Employees experience a weakness regarding mid-managers.	Some correspondence The discussion concerning mid-managers lack support in academia → empirical contribution.
Situational leadership.	Identifying individual motivation improves retention, however there is no common motivational factor applicable to all employees.	• Overall perception – high degree of management support and feedback. • Mid managers plays an important role in coordinating teams.	Some correspondence Dependent on each mid-manager and team.

Table 11. Correspondence between theoretical framework and empirical findings - Leadership & Management.

All employees at Hilti are expressing management and leadership as one of the most important factors for motivating them at work, hence making them stay at Hilti. A high degree of management support is mentioned to have a positive impact on retention as well as a low degree of support is brought up as a reason to leave among respondents. This corresponds to academia, stating management as a key success factor regarding retention strategies at organizations (Christeen, 2015; Noah, 2008; Eisenberger et al., 2002; Michael, 2002). Another aspect in the management and leadership strategy concerns organizational justice meaning there should be procedures in place for how to distribute rewards. Even though Hilti employees have different needs for support and feedback they agree it is important to achieve a fair distribution among employees, i.e. that one gets the support and feedback needed in a specific situation. It aligns with academic research stating that it is a factor contributing to an increased level of motivation and impact an employee's decision to remain with or leave the company (Irshad & Afridi, 2012; Kossivi et al., 2016).

Findings from the pre-study within the leadership strategy emphasize focus on mid management to strengthen internal relationships and improve continuous development in teams which is aligned with academic theory, e.g. (Christeen, 2015). However, the strategy is perceived as a major challenge among Hilti employees. Respondents agree a lot effort has been put into creating small and close-interlinked teams, mid managers are seen as critical for the future to reduce retention issues. Brought up by employees, an essential quality of a mid-manager is explained to be the ability to be involved in daily tasks. This challenge has been

brought up by all departments, thus stresses the importance for Hilti to further develop the company's leadership strategy on a mid-manager level.

As previously displayed, most respondents trust the employer for calculating bonuses correctly, by also emphasizing the system as transparent. This statement corresponds to Irshad and Afridi's (2012) theory about procedural justice. The main reason why Hilti employees have faith in the bonus calculation is because all departments except Sales applies the same system, thus strengthen the trustworthiness. Importantly, this is not applicable to the Sales team stating the process of allocating bonuses is not transparent, nor fair. Depending on customer base and team mix (e.g. how long people have been in the team), Salesmen have not the same opportunities for receiving a fair bonus which increases the dissatisfaction and decreases trust for the bonus system. It corresponds to Hendrix et al., (1998) concluding procedures for allocating pay raises and compensation plans that are understandable are vital with regards to employee retention. On the basis of Leventhal (1976), Hilti could benefit from rearrange and implement structural elements concerning justice and rewards to improve employee retention. Colquitt (2011) argues that it is important for employees to be involved in and understand the process of allocating rewards in order to be motivated at work, hence corresponding to the empirics.

The Leadership Team emphasize the importance of identifying each individual's motivation. Aligned with Robbin's (2001) contribution to the expectancy theory, there is no common way of explaining motivation. Despite this, do the current retention strategy have some drawbacks, as mentioned earlier, which is probably due to Hilti's previous years' growth phase. Consequently, do mid managers play an important role for retention and turnover in the future.

The purpose of working in small teams and creating trustful relationships as outlined by the Leadership Team corresponds to all motivational theories discussed in this thesis, although Abrahamsson and Andersen (2005) stress there is no common motivational factor applicable to all employees in a workplace. To start with, the need theory emphasizes the significance of understanding the needs of each employee in order to enhance motivation (Kuranchie-Mensah & Amponsah-Tawiah, 2016; Maslow, 1943). One example brought up in the interviews corresponding to academia but presently missing at Hilti, is the importance of presenting different career opportunities and not assume that all individuals strive for a hierarchical career, for instance more of a specialist role than as a leader. Currently, there exists some roles possible for a more specialist development, although these are explained by employees as not being a further step up in grading.

Next, by working in small team's managers get the possibility to reduce inequity via continuous discussions and the opportunity to impact decisions, which is explained in the equity theory by Adams (1963) as a motivational factor in workplaces as well as in the empirics. Lastly, the expectancy theory (Vroom, 1964) is related to recognition for a specific effort and outcome. It is closely related to management feedback and could be used by managers to identify what rewards are mostly appreciated by employees.

6.3.1 Finance

Employees at the Finance department clarify that leadership style is both a reason to stay since it leads to satisfaction at work, but also a reason to leave the company, if leads to dissatisfaction. Leadership is then perceived as both a hygiene factor, creating dissatisfaction if not met, furthermore, a motivator factor leading to satisfaction for employees if met. Thus, challenging Herzberg's two factor theory from 1959 by strengthening one factor as being both a hygiene and a motivating one. However, do Gowel (1997) and Herzberg (1959) discuss the difference between extrinsic and intrinsic factors and their impact on motivation where supervision is defined as an extrinsic factor while recognition is identified as an intrinsic factor. In contrast to academic theory, are Finance employees arguing that supervision and recognition are highly related and thus provide an answer to why management is seen as a both a reason to leave and a reason to stay. Supporting Finance arguments, various researchers are challenging Herzberg's (1959) two-factor theory by arguing extrinsic as well as intrinsic factors play an important role in motivating employees and that the two components cannot be separated (Andrew & Kent; 2007; Chris & Awonusi, 2004). Hence, correlated with employees in the Finance department.

Moreover, do employees at Finance appreciate a manager that is involved in daily tasks, due to being essential for flourishing loyalty and commitment at the department. Since Hilti has grown a lot during past couple of years, interviewees highlights the significance of having mid managers who gives more physical attendance which results in strengthening of confidence, giving ongoing feedback and helping prioritizing daily work tasks. Therefore, do mid managers have a great impact on employee retention at Hilti. Lack of mid managers, makes employees at Finance frustrated due to more focus on firefighting than on targeting business goals and resulting in a zero or negative impact on employee retention. The discussion concerning mid management is lacking a corresponding theoretical framework in this report, leaving a gap in the academia which could be seen as an empirical contribution. Thus, it strengthens the argument that prioritizing mid managers is vital for future success and improved retention. As discussed in the previous section, training of mid managers is important to ensure relevant leadership skills and competence level.

6.3.2 Human Resources

HR is motivated by appreciation and recognition, which are emphasized as being delivered especially via individualized leadership towards each employee. This is aligned with theory since the reward should be connected to motivational factors, which is desirable and generated from within each employee (Silbert, 2005). Additionally, such motivational factor is mainly related to a physical and psychological need as disclosed by Maslow (1943) and Herzberg (1959) in the need theory.

Getting recognition and feeling appreciated, is further explained by HR as being received by being involved in decision making. HR expresses involvement as crucial since they feel

valued and important. Additionally, they explain that they receive the feeling via acquiring information quickly after all Leadership Team meetings but also via having department meetings almost once a week. Hence, connecting to the decision making theory, which strengthens the feeling of belongingness, increases relationships and a better working atmosphere according to Noah (2008). In contrast to other business units, Human Resources is a small department as reflected in the close relationship to the Leadership Team and the ability to impact decision making processes. This corresponds to Noah's (2002) argument that a sense of belongingness strengthens the relationship between the employee and the employer. As a consequence, the HR department do not experience the same challenges concerning mid managers as other business units which appears to have a positive impact on retention.

6.3.3 Marketing

The Marketing department explains the vital motivating factor of having mid managers generating feedback and support continuously on a daily basis, especially due to a gap up to top management team during previous years because of Hilti's growth. This has also resulted in high workload, which further pushes the importance of having support close in order to prioritize in the best way. As mentioned earlier, the academic point of view regarding mid management and its significance in creating motivation for employees, is lacking in current theory, hence increasing the importance for Hilti to bear in mind when formulating future strategies.

Presently, a diverse picture is given within Marketing concerning management support, where some expresses a lack of that factor, while relating it to high workload also for top leaders. This is however emphasized from interviewees as creating a dissatisfaction and lower performance, which impacts retention negatively. Support and feedback is further explained as important since it creates a feeling of appreciation but also enables one to do a good job. Thus, strengthening the theory that employees leave leaders and not jobs as discussed by Irshad & Afridi (2012).

Most of the Marketing team emphasize internal equity as more vital than the relation between others, which means a fair treatment for respective input and output over total amount of reward in terms of support and compensation. Contrary, two respondents perceive that not all employees have the same development possibilities within Hilti. Hence, both corresponding and not to the organizational justice theory (Adams, 1965), which states that workers compare their input and output to other workers in order to investigate the organizational justice, since higher degree of justice makes employees remain at work (Hendrix et al., 1998). Feeling involved is a factor that motivates employees at Marketing since it creates the sense of appreciation and belongingness throughout the department, which is also reinforced by Noah (2008) and related to equality discussed by Adams (1963). In contrast to the Sales department, Marketing employees state one action to achieve balance between input and output is to reduce input level which is mentioned in literature by Champagne and McAfee (1989) as a possible measure. Although the Leadership Team are arguing that the future retention strategy

rely on small teams where employees are involved in decision making processes. Research by Pinder (1998) concludes that what is crucial in the field of leadership retention strategies, is the communication of the strategy and the difference between perceived and actual inequity within organizations. When contrasting this to empirical findings, it appears that there currently might be a gap between the Leadership Team and the employees at Hilti. Consequently, the mid managers play a vital role in communicating corporate values, inform and inspire the employees as suggested by Eisenberger et al., (2015).

6.3.4 Strategic Business

Also Strategic business mention individualized leadership emphasizing appreciation and recognition as a main motivating factor. In line, the pre-study expresses daily feedback and celebration of success as important features for having an advantageous retention strategy. Additionally, continuous feedback facilitates the manager to identify widespread motivational factors and fulfil unmet needs. The empirics are aligned with Silbert (2005) who conclude that each employee have different needs for motivating them at work and identifying those needs results in a positive impact on retention. Some are for instance wanting achievement while others are happy while feeling safe at present position. This corresponds with Maslow's pyramid (1943), meanwhile at the same time not corresponding since not all employees are the same or wanting the same next step in the need hierarchy, strengthening the need for situational leadership.

Clearly displayed in the Strategic business team, is that junior employees are emphasizing feedback and support on a higher level than senior employees, thus stresses the empirical contribution that is the significance of having reachable mid managers in daily situations for making employees motivated and hence remaining with the firm.

6.3.5 Sales

Employees within the Sales department agree team affiliation is one of the most important motivational factors, mainly because you are dependent on team success for optimal reward. While early research in the area of motivation theories lack features regarding the team's impact on individual motivation (Maslow, 1943), the empirical argument aligns with theory by Ellemers et al., (2004) concluding individuals are not only motivated by self-reliant objectives but also by collective needs, goals and comparison between groups. It could be translated to Salesmen at Hilti who receive bonus based on team performance and therefore are dependent on a well-functioning group. Also, the Sales department discuss the inequality in bonuses between teams' dependent on client base, geographical conditions and the manager, which Ellemers et al., (2012) emphasize are vital in creating and maintaining motivation in a team. Hilti employees experience that they have the same goals but not the same prerequisites. In addition, it corresponds to Adams (1963) equity theory stating when employees perceive others as receiving more for the same effort level, they will take action to change the situation. In the case of Hilti, this could be an answer to the high proportion of redundancies in the Sales department as the respondents' state reduced input is not an option.

Empirical findings draw a link between workload and feedback as well as support. At this moment, respondents perceive they have no time to sit down and discuss personal development opportunities and how to reach future goals. It is discussed by respondents and brought up in academia as one of the most important motivational factors and corresponds to Vroom's (1964) argument about instrumentality. If the employee is not able to visualize the path from effort to reward, neither are promised to receive a fair reward for the effort, it impacts motivation negatively (Vroom, 1964), thus, strengthens the importance of continuous feedback for an improved retention rate.

When discussing organizational justice, the pre-study reveals that Hilti do not have the intention to be a high-paid company but rather to stay in the middle range, which is also how Sales employees interpret the current compensation package. The downside, as discussed before, is the difficulty in reaching the PMP goals and increase the basic salary which could lead to Hilti falling behind when benchmarking salaries with other firms. Respondents do also stress the significance of flexible business goals to ensure motivation. Presently, Sales team experience PMP goals which are set on a national level not adapted to regional circumstances. The argument contrasts the theory by Noah (2008), stating that involvement in decision making strengthen employee commitment and reduces turnover. In addition, it could be transferred to the expectancy theory (Pinder, 1998), who argues that employees get demotivated when they are not able to picture the relation between effort, performance and reward. Respondents emphasize that they are not able to apply the PMP goals to their specific customer base which reduces the chances of meeting the goals and results in a negative impact on wage development.

Moreover, do the Leadership Team argue that the challenge is not the compensation itself but rather to become more transparent in communicating it. From the employee's point of view, first, it was not perceived as such which created an issue. Although, after deeper discussions, it was revealed that employees were not fully aware of their total individual compensation, hence aligned with the pre-study. This issue is confirmed by the Exit Interviews (2016) stating that low salaries was a specific reason to leave the firm. The argument corresponds to Cropanzano and Greenberg (1997) who emphasize organizational justice as only achieved if perceived as such by the employees. When improving the retention strategy of especially compensation and benefits, focus should be on aligning Leadership Team and employees' perceptions via a more transparent solution. Additionally, Hendrix et al., (1998) state justice has a vital impact on employee retention, as confirmed by Hilti employees who are arguing that justice concerning compensation, especially between Hilti and competitors, is a reason for turnover and thus an important motivational factor. In contrast, do Leventhal (1976) stress that reward and outcome should be based on need, although seen in this case as not applicable for Hilti employees, who picture equality as an important motivational factor.
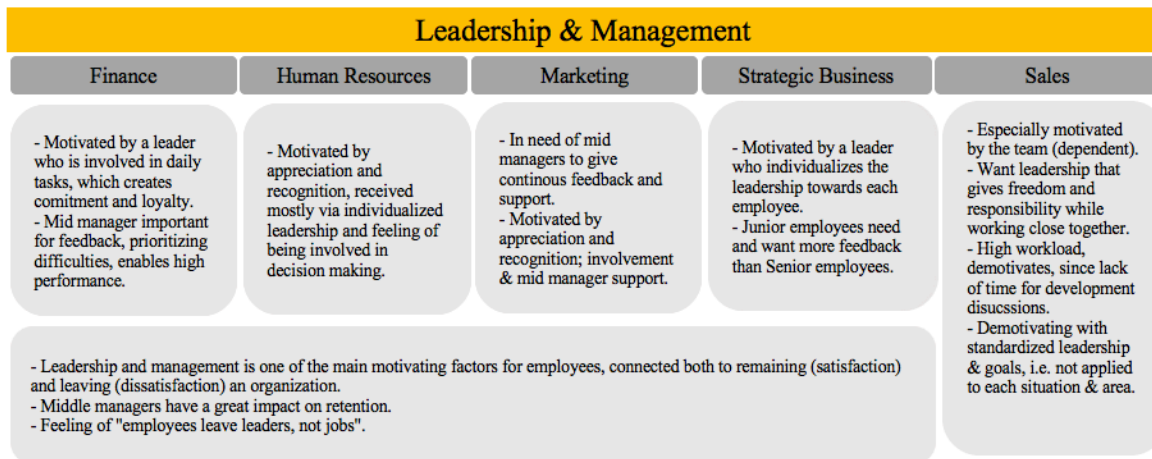
Figure 18. Overview of department specific features for Leadership & Management.

6.4 Impact and usage of motivational factors

Motivational factors in a general term as well as more specifically for each department, have been discussed and analysed in earlier sections. However, in this last section in the analysis, the motivational factors for Hilti Svenska AB on a general perspective are presented. These factors are displayed together with what impact it has at this present and finally to what extent Hilti has those factors right now, which is called current usage in the table below.

For those factors with positive impact below (+), the company's retention strategy is seen as being in right direction. Concerning those factors with negative impact below (-), further opportunities for enhancements exist. A non-impact on retention is displayed as a zero (0). Factors having both a positive and a negative impact on retention are displayed as (+/-) with further explanations in the right column.

Compensation & Benefits		
Motivational Factors	Current Impact	Current Usage
Industry average salaries	+ / -	All departments are perceived as fairly paid, except for Sales. Possible improvement still exists, but currently the impact of salaries is both impacting retention positively and negatively (Sales).
Monthly pay (salary and bonuses)	+	Present total compensation (salary and bonuses), is seen as having a positive impact on retention. Employees are not motivated by a pay increase. Although if industry average salaries aren't met, employees would be dissatisfied.
Balance input versus output	-	All departments perceive current workload as heavy in contrast to reward received, especially for Sales. This is mainly due to large organizational growth last years.
Job-based approach (grading system)	-	Since employees are motivated by training and skill development, the impact of a skill-based approach is seen as better than job-based. Current job-based approach has a

		negative impact on retention.
Benefits	- / 0	Standardized benefit package does not motivate employees, hence has a negative or none impact on current retention strategy, since employees are not leaving because of them.
Transparency of rewards	-	Due to lack of transparency of the total compensation package, perceptions of imbalances exists which impact retention strategies negatively. Also hard to visualize and connect reward with effort and performance, which is seen as demotivating.

Figure 19. Impact of motivational factors - Compensation & Benefits.

Training & Development		
Motivational Factors	Current Impact	Current Usage
Internal career opportunities	+	Current future development possibilities are seen as having a positive impact on retention. However, a downside is few opportunities outside the HQ.
Incentives for trainings and development	-	Few incentives are given for employees to further invest and develop themselves, it is seen as their own responsibilities. This creates a negative impact on retention.
Training and development programs/plans	-	Absence of a clear overview of trainings and opportunities, thus a negative impact on retention due to all employees being motivated by individual development.
Applicable trainings with clear purposes	0	Current trainings have a positive impact on retention since they exist. However, lack of adaptability to Swedish market and external influences lowers the impact to a zero.

Figure 20. Impact of motivational factors - Training & Development.

Leadership & Management		
Motivational Factors	Current Impact	Current Usage
Importance of good management	+	Current management is seen as vital in order to motivate employees, hence having a positive impact on retention.
Involvement in and understanding of processes	+/ -	The departments are overall expressing that they are involved in processes and decisions, although Sales emphasize a stiff structure concerning bonus allocations and PMP goals. This factor is therefore having both a positive and a negative impact on retention.
Close teams and internal relationships	+/-	Small and interlinked teams are one of Hilti's strengths for motivating employees, although due to organizational growth the challenge occurs for mid management to keep this feeling. Currently, is this motivational factor seen as having a positive impact, which might turn to a negative impact in the future.

Situational leadership	Mixed	Appreciation and recognition are seen as overall main motivating factors. Employees explain management as supporting, although a demand for a more individualized leadership approach exist. Currently, departments give a diversified picture of present impact of situational leadership. For instance: Finance = none HR = positive Marketing = negative Strategic Business = positive Sales = depending on team

Figure 21. Impact of motivational factors - Leadership & Management.

7. Conclusion and Recommendation

In this final chapter, the conclusions are generated from the analysis and discussion section. Firstly, are the main conclusions and their impacts given, followed by a second part involving recommendations on how to concretize the conclusions. Finally, proposals of further research and fields are displayed.

7.1 Conclusions

The conclusions generated from this study are displayed in this section. These conclusions reveal how Hilti Svenska AB can enhance and progress their work for making employees remain within the organization. The conclusions serve to answer this study's research question:

"How do employee motivational factors impact employee retention strategies at Hilti Svenska AB?"

Conclusions of employee motivational factors and their impact are displayed below, divided into each area of Hilti's employee retention strategy. As explained earlier in the last part of the analysis, are factors with negative current impact, those factors where possibilities for enhancements exists.

7.1.1 Compensation & Benefits

Motivational Factors	Current Impact
Industry average salaries	+ / -
Monthly pay (salary and bonuses)	+
Balance input versus output	-
Job-based approach (grading system)	-
Benefits	- / 0
Transparency of rewards	-

This research concludes that balance between input and output and a clearer connection between effort, performance and reward, are the decisive motivational factors regarding Compensation & Benefits. This means creating a balance between workload and received pay, by also connecting particular tasks to specific rewards. Respondents agree that compensation and benefits are not the determined factor when deciding if an employee should stay or leave the firm, however, the basic pay must be competitive in relation to the industry in order to impact employee retention in a positive way.

Shortages most relevant to motivational factors and its impacts above, in the retention field of **Compensation & Benefits**, are concluded as:

- Low perception of compensation.
- Insufficient understanding of compensation.
- Standardized benefit package.

7.1.2 Training & Development

Motivational Factors	Current Impact
Internal career opportunities	+
Incentives for trainings and development	-
Training and development programs/plans	-
Applicable trainings with clear purposes	0

Hilti employees strive to develop skills and find new career opportunities, concluding that fulfilling of needs and expectations are vital motivational factors concerning retention within the area of Training & Development. However, few incentives are given for employees to further develop their skills which makes it hard to visualize what effort and performance results in and thus, creating a retention issue. In addition, are employees motivated by individualized development plans, hence an arrangement in the career advancement field is needed. It is of major importance that the Leadership Team and the employees have the same perspective of Hilti's training and development strategy. It means merge skills development, training programs and career opportunities into a holistic retention strategy with well-defined goals and objectives strengthening employee motivation.

Regarding **Training & Development** retention strategies, challenges connected to the impact of the motivational factors above, are in general summarized below as:

- Few development possibilities outside HQ.
- Insufficient incentives for trainings.
- Insufficient holistic training approach.
- Lack of external influences in trainings and market applicability.

7.1.3 Leadership & Management

Motivational Factors	Current Impact
Importance of good management	+
Involvement in and understanding of processes	+/ -
Close teams and internal relationships	+/-
Situational leadership	Mixed

With regards to Leadership & Management, the crucial motivational factor is fulfilling of needs. Managers play an important role in supporting employees to improve their performance level and reach self-actualization. However, improvements in transparency and education in bonus calculations are significant in order to motivate the employee to perform. The study contributes to academic literature by emphasizing mid managers' role in motivating their teams since employees are mainly motivated by a leader that is present, giving feedback and support continuously as well as enabling coordinating teams.

Final challenges generated from the motivational factors and their impact in the field of **Leadership & Management**, are generalized and presented as:
- Continue improving closed and interlinked teams while growing.
- Increase valuing employees on a more daily basis.

Finally, theories in the field of employee retention strategies and motivational theories have been well applicable in this study and served the researchers with possible improvement areas. The research has provided theoretic possibilities which Hilti Svenska AB could start to apply to improve the company's overall retention strategy. Additionally, the study has generated empirical contribution filling a gap in the academia.

7.2 Recommendations

This recommendation section provides the case company with concrete and specific advices on how they may enhance their current employee retention strategies. The given recommendations are based on the challenges mentioned above under each retention area in the conclusion section, in order to correlate concrete recommendations with this study's research question: *"How do employee motivational factors impact employee retention strategies at Hilti Svenska AB?"*

General challenges	Specific problems	Enhancements	Short term activity (less than one year)	Long term activity
Compensation & Benefits				
Insufficient understanding of compensation.	Lack of understanding what efforts and performances that leads to rewards.	Decrease too stiff procedures and become more agile and individualized concerning compensation & benefits. Implement a transparent solution	Have workshops for enabling understanding of bonus calculations and how one can impact output. Go through and individualize general PMP goals.	Apply a mix of skill-based and job-based approaches in salary grading. Increase salary ranges within a specific level.

General challenges	Specific problems	Enhancements	Short term activity (less than one year)	Long term activity
Low perception of compensation.	Experiences of high workload compared to the output received.	for total compensations and benefits.	Reduce heavy administrative tasks and other stress factors. Compare to external firms facing the same growth expansion.	Create more back office positions. Leadership trainings emphasizing stress and health, such as mirroring.
Standardized benefit package.	A hygiene factor and not a motivator.		Review benefit package so they are perceived as benefits. Provide flexibility possibilities.	Investigate cooperation's with benefit firms that have various supplies of benefits in a technical and modern solution, such as an app. Better benefits such as health insurance.

General challenges	Specific problems	Enhancements	Short term activity (less than one year)	Long term activity
Training & Development				
Insufficient incentives for trainings.	Training programs not linked to daily routines or based on employee motivation.	Become more modern and up-to-date concerning trainings and what motivates each employee, since it would increase organizational performance.	Communication of how training programs improve performance level, i.e. relating training to future career opportunities and efficiencies in work tasks. For instance via an e-platform.	Hire an E-platform specialist to ensure ongoing and relevant developments in trainings on Hilti. Depending on market situation, customer and employee demands.
Lack of external influences in trainings and market applicability.	Mainly Hilti-way trainings are offered and some from E1, which lacks suitability for Swedish market.	Increase external influences and ensure Swedish adaptations.	Revise current training situations. Show recognition via sending employees on external trainings, hence improve performance.	E-platform specialist responsible for creating training network. Training programs for Excel, Outlook.
Insufficient holistic training approach.	Many trainings exist, although lacks awareness of explained by employees.	Improve transparency of current trainings.	E-learning platform possible to individualize for each employee, with all offered trainings.	Manager trainings in e-platform and individualization for each employee.

Few development possibilities outside HQ.	Employees mention they get stuck and in a way forced to change employer.	Enhance flexibility at work.	Provide more positions outside HQ. Follow technical development and current demands via policies for working outside office.	Establish positions outside HQ, that are advancements in the career for employees.

General challenges	Specific problems	Enhancements	On-going activities
Leadership & Management			
Continue with closed and inter-linked teams while growing.	Mid-managers becomes vital for motivating employees.	Provide managers with correct tools and resources continuously.	Have ongoing trainings in smaller scales regarding communication and individualized leadership. Important for managers to have knowledge in employee's daily tasks to create engagement and satisfaction.
Increase valuing employees.	Main motivator for employees are the feeling of appreciation.	Increase individual recognition on daily basis.	Send appreciation notes home to chosen employees after each LT meeting.

Figure 22. Recommendations to Hilti.

7.3 Theoretical implications and suggestions for future research

There exist various possibilities for further research. For this thesis, concentration has been on three fields of employee retention strategies, although other fields could be included such as corporate culture and job design. Another future research gathered from this specific study, is the conducted exclusion of some motivational factors such as motivational factors connected to job characteristics.

As this thesis is a single case study, it has the strength to provide a thorough list of recommendations to the single case company, on how employee motivational factors impact employee retention strategies. This study has findings which most likely have a general applicability in a wider context. Although, motivational factors are individual towards each situation and employee, thus the general applicability could further be investigated through a benchmarking or multiple case study. In a possible benchmark, companies going through the same situation e.g. fast growth, would be a possible future research contributing more in the field of employee retention and motivation.

Due to time restrictions, the field of mid managers' potential to impact employee motivation has only been touched upon, hence generating a possible research field to get into depth with.

One main constraint to this thesis, is the geographical limitation of not being able to cover more than the three largest Swedish cities, which partly could impact the result.

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8.1 Company documentation

The following documents are for internal use. The authors have signed a confidentially agreement and have had access to documents to enable conduct this research.

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9. Appendix

9.1 Interview guide

• Short description of the thesis and the purpose with the research • Anonymous reminder	

1. Please describe your job (What is your position/responsibility? How long have you been employed at Hilti?)
2. What motivates you to work and stay at Hilti? What makes you demotivated?
3. How is motivation related to your work performance?
4. Why did you chose Hilti as an employer and which are the reasons you will continue work for Hilti?

Motivational theory	Retention Strategy	Interview questions
Need Theory - Individual needs - Level 1-2 in Maslow's Need Hierarchy - Security - Extrinsic motivation - Job dissatisfaction **Equity Theory** - Fair treatment internally and externally - Perceived imbalance - Input/output ratio - Comparison of output -Transparent reward systems and communication **Expectancy Theory** - Better motivation if connection between effort, performance and reward - Tool for identifying how managers can motivate their employees - Extended expectancy model	**COMPENSATION & BENEFITS** - The relationship between performance and reward - Competitive in relation to market average? - Job-based approach and Skill-based approach - Financial and non-financial benefits - Communication of rewards	• Will a pay increase motivate you to perform better? • What knowledge do you have regards salaries at competitors? How do you receive that information? • How does Hilti work to offer you incentives for gaining new skills or knowledge? • How are you compensated for use of your skills e.g. do you have commission? • How do you perceive the company's compensation and benefit package today? • How do you consider benefits shall be (flexible, adaptable to individuals, same for all)? pros/cons? • In what way do you believe that benefits have an impact on your work motivation? • Is your compensation plan well communicated?
Need Theory - Level 3-4 in Maslow's Need Hierarchy - Affiliation, Esteem - Intrinsic motivation - Job Satisfaction **Equity Theory**	**TRAINING & DEVELOPMENT** - Correlation between job satisfaction and job promotions - Career planning	• How does training and career advancement opportunities affect your work motivation? • What are the career advancement opportunities at Hilti?

- Promotion are not based on performance - Actions if imbalance is perceived - individuals are motivated and have the possibility to change path **Expectancy Theory** - VIE theory - Recognition by managers and organization - Connection between effort, performance and rewards - Instrumentality (be able to visualize the path)	- Training programs - Pitfalls	• What is your opinion about the training programs offered? (has to do with commitment) • Can you translate knowledge received at training into daily working routines? • What kind of training programs or career planning would be appreciated by you?
Need Theory - Level 4-5 in Maslow's Need Hierarchy - Self-actualization - Intrinsic Motivation - Job satisfaction - (Ellemer) group motivation **Equity Theory** - Fair treatment - Comparison of output - Procedural and distributive justice - Fair & equitable return - Perceived and actual inequity **Expectancy Theory** - VIE theory - Contribution to personal goals - Intrinsic or extrinsic rewards - Individual motivational factors	**LEADERSHIP & MANAGEMENT** - Leadership style and group processes - Management support - Involvement in decision-making process -Organizational justice	• How do your manager and your team influence your motivation level? (Team feeling) • How do you receive feedback and support from your employer/manager? • In what way would you prefer more feedback and reward for your performance? • How are you involved and able to impact decision making processes? • Is it important? why/why not? • How do you receive information about financial and operational objectives?

Finally:
- Where do you see yourself in 5 years?
- What would make you change employer?
- Did we miss any motivational factors? Rank your motivational factors you have - the top 3!
- Is there anything you would like to clarify or go back to in the questions?
- Can we contact you again if we will find out that we have missed anything?

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