

Master Thesis
Spring Semester 2007
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830508-T062
790922-T017

How Culture and Motivation Interacts?

- A Cross-Cultural Study

ACKNOWLEDGEMENTS

We would like to thank the respondents of *Sasken Finland Oy* and *SYSteam* for their participation in our study. Without their involvement this thesis would have never seen the light of day. In addition, we thank our supervisor *Per Nilsson* for his guidance and advices and *Anders Söderholm* for his helpful suggestions.

Last but not least, we would like to express our gratitude to *John Matthews*, *Jakub Mulac*, and *Robin Katoen* for their supportive contributions and our friends and family for their support and encouragement.

Sincerely,

Sabine Helou & Timo Viitala
Umeå, May 25, 2007

SUMMARY

Motivating employees is essential for any organization aspiring to succeed. However, the process of motivating is not a straightforward one due to the diversity of individual's needs. The task has been made even more difficult by the fact that personalized needs have altered in recent years. For instance, in many circumstances financial compensation is not considered as the main motivational factor of employees.

Due to its innovative and youthful nature, the Information Technology (IT) industry has been considered to be at the forefront of dealing with organizational issues, such as how to motivate employees. Organizations that lie within this industry have adopted various innovative motivational practices. Examples of those include opportunities to work from home, used in parallel with traditional motivational practices, such as pay-for-performance.

In general, not all industries have adopted innovative practices in a broader scale, despite the fact that numerous studies have proven their success. This can be due to issues such as general unawareness of their benefits or unsuitability with the current corporate culture. Therefore, corporate culture plays a significant role in providing a framework where different motivational issues can act.

These issues led to the examination of the influence that corporate culture has on motivational practices and whether there are differences in motivation management practices between the Swedish and Finnish IT industry. A further notice was set on the concern whether the managers of the studied organizations were aware of these so-called innovative motivational practices.

For the empirical part of this thesis a cross-cultural study was conducted. Two IT organizations were chosen. Saska Finland Oy was selected from Kaustinen, Finland and SYSteam from Umeå, Sweden. Using qualitative interviews, data was collected from the organization. The results were then analysed and compared with each other with the intention of disclosing possible differences and testing against the theories gathered into the conceptual framework.

Our main conclusion is that culture does influence motivational practices. How culture affects depends whether the culture is task-orientated or person-orientated. We found that the person-oriented culture emphasizes the use of innovative motivational practices, with the aim of developing individuals and their work. The task-oriented culture promotes the use of traditional motivation tools. The fact that the corporate cultures are a mix of cultures explains the use of both types of motivational practices.

Keywords

Motivation, Corporate Culture, Finland, Sweden, IT Industry, Traditional Motivational practices, Innovative Motivational Practices

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1. INTRODUCTION

The aim of this first chapter is to introduce the subject. The purpose is to familiarize the reader with motivation, current aspects of corporate culture and its role in facilitating employee motivation as well as overall well being in an office environment.

1.1. Background of the study

Imagine yourself working in a small office cubicle on the 34th floor of the Empire State Building in New York City. Your desk is piled full of paper and you feel like the thin walls of your so-called workspace are getting closer and closer by the minute. Your boss is demanding that you finish the quarterly reports; your colleagues are asking for your cooperation in the yearly reports, and your assistant needs help to finish reports that were due last week. As you look outside your window you notice the horizon is dominated by skyscrapers, some of the thickest fogs on Earth, and the only objects you can make out include traffic jams for blocks and busy people who look like tiny little ants running from place to place. Constant pressure and urgency create the harsh reality of today's business environments. You think to yourself would it not be nice to forget it all and crawl under a big tree, with the sun warming your face and have a little nap? Or even to curl up into a small bed, which lies behind your chair and forget all the pressure, loosen up for twenty minutes and dream about that warm place under the tree.

This may sound like an impossible idea but in reality several innovative motivational practices have been developed in the past years, quite similar to the one depicted in the situation above. These kinds of practices differ from the traditional ones, which are defined by the writers as practices connected to the reward system such as promotion, holidays, pay-for-performance and personal achievement. Innovative motivational practices are on the other hand described as improvements of the work environment, work organization and the job itself. Most common forms of innovative practices include allowing employees to work from home, improving the design of the office environment or having training facilities (fitness rooms/gyms) at the office. The reason why they have been introduced is because of their linkage to productivity and worker satisfaction. These practices have offered some solutions to the changing needs of employees and have been developed as a progression over the traditional practices, as they have shown their limits and lack of efficiency in motivating people.

But the biggest dilemma with motivating employees still exists. There is no single or universal method for motivating an individual. Methods have changed over time and depend on situations that employee's experience. Thus, managers have a crucial responsibility in locating subordinate's motivational factors and implementing them into corporate culture.

There exist various motivational factors, which can be implemented into corporate culture in order to motivate employees. Their strength varies though, since motivation is very individual dependent. This fact has been discovered through widespread research that the concept of motivation has gone through. One of the most well known scholars in motivational issues is Abraham Maslow. He believes that every individual has various needs that have to be satisfied. Those needs start from basic level, which

include issues such as food and shelter. The hierarchy of needs as the Maslow's theory is called consists of five different levels.¹ If those levels are recognized for example in an employee, a manager can distinguish what kind of concepts may be used as motivational factors.

Corporate culture itself has a significant role in providing a framework where motivational factors operate. Besides motivation, corporate culture facilitates such crucial aspects of organizational life as unity among employees and overall well-being. In general, corporate culture can be seen as the total sum of all needed organizational activities that aim at fulfilling its purpose. It symbolizes the phrase "this is the way we do things around here". Geert Hofstede refers to corporate culture in a somewhat more philosophical way: "...*Culture is a deeply rooted value or shared norm, moral or aesthetic principles that guide action and serve as standards to evaluate one's own and others' behaviours*".²

According to a report made by Commissions of the European Communities, an average European individual works 1 660 hours a year and 70 000 hours in a lifetime.³ This means that large portion of each individual's life is spent at work. Seeing that the workplace is transforming into a second home, employees are to a greater extent drawing their motivation from features related to their work conformity. According to a study made in United Kingdom, "*nearly half of British managers would surrender £1000 from their salary, their company car, private medical insurance or one week's annual leave, for a better workplace. Forty-five per cent would consider changing employer - even if the role, salary and benefits in the new job were no better - in return for an improved working environment.*"⁴ Thus, these innovative motivational practices could provide a solution for managers on how to increase employees' motivation. In addition, the increasing need for employees to work well beyond their 60's has lead to the overall worry of employee well-being. Therefore these innovative practices could be a part of an even bigger solution by contributing to the creation off a more human place working environments, while at the same time offering incentives for innovation and efficient work.

For the purpose of this thesis a decision was made to lead a cross-cultural study within the Swedish and Finnish IT industry. The reasons that motivated our choice were the early appearance of innovative motivational practices in the IT industry and the existence of a link between innovation in technology and innovation in management. The choice of a cross-cultural study is based on personal and geographical reasons. Both of the writers of this thesis are studying a Master Degree in Umeå, Sweden and in addition one of them is Finnish. Moreover, personal experiences and backgrounds let us acknowledge various cultural differences between Finland and Sweden and they strengthen our impression that these differences could impact management in organization.

¹ Herzberg, Frederick, (2003), *One More Time: How Do You Motivate Employees?*, Harvard Business Review, Vol. 81, No. 1, pp. 86-88

² Hofstede, G., (1994), *Uncommon sense about organizations: Case studies and field observations*. Thousand Oaks, CA Sage: p. 68

³ http://eur-lex.europa.eu/LexUriServ/site/en/com/2000/com2000_0113en01.pdf, (2007-03-01, 14.00)

⁴ www.management-issues.com/2006/8/24/research/we-cant-get-no-workspace-satisfaction.asp, (2007-03-03, 09.00)

The crucial point in motivating employees is that without stimulation, employees become inefficient and costly. Thus, managers need to find proper tools that motivate their subordinates and fit the current corporate culture. Nowadays, the traditional motivational practices such as money and promotion have been found inadequate. However, innovative practices have not been widely adopted even though their success has been proved by several studies. The reluctance of managers to accept innovative measures and use in parallel with traditional motivational practices might be because of the following reasons. Foremost, alternative practices and their impact are not well known to the managers. Secondly, the current corporate culture does not support the use of innovative practices. Thirdly, the natural resistance to change, which implies that in many instances people, are afraid of new things and therefore new motivational practices do not come about.

These issues create the starting point of our study and lead us to ask the following research questions.

1.2. Research question

What is the influence of corporate culture on the motivational practices? Are there differences in motivational management practices between Swedish and Finnish IT industry? Has consideration been given to innovative motivational practices?

1.3. Research objectives

The study's objective is to perceive why particular motivational practices are adopted at the office environments in question and whether managers are aware of innovative practices and the benefits they have. The second objective is to distinguish if cultural dimensions affect managers' choice of used motivational tools.

One should notice as well the particular aspect of our examination as being a cross-cultural study between Finland and Sweden.

2. RESEARCH CONSIDERATIONS

The purpose of this chapter is to discuss the choice of topic, current preconceptions and scientific approach that construct a part of the thesis. In addition, the following sections will provide an insight to the used methodology and the process of collecting theories for the theoretical framework.

2.1. Choice of subject

The reason why motivation and corporate culture were chosen as subjects to be studied lies in our interest, as researchers in management, in how to manage individuals in an office environment. To be more specific the way of thinking that individuals have, their habit of making certain activities and the weight placed on each activity are found to be fascinating issues.

Motivation as such is a large concept to comprehend and it varies from individual to individual. Therefore this study will not be able to revolutionize the understanding of motivation but it will certainly try to provide some interesting analytical points with regards to corporate culture. This unfolds the other subject of the thesis, namely corporate culture. Motivation itself does not pose such an appealing topic but when it is put into a certain context, corporate culture for instance, its attractiveness increases. At least from the writers' point of view, who have studied management issues for the past years.

The decision to conduct a cross-cultural study came up from the researchers' international background and the research context. Due to fact that the researchers of this thesis are studying in Sweden, and their origins lie in France and Finland, it was natural for them to focus on the differences between countries in relation to the topic. The decision to make a cross-cultural study was further facilitated by the fact that it is characterised by having a comparative nature⁵. France has not been included for this study because of its distant geographical location and the costs that it would require to carry out a part of the study there. Thus, a decision was made to conduct the study in Sweden and Finland.

2.2. Theoretical Preconceptions

Most individuals who have some kind of business knowledge have an idea what corporate culture and motivation stands for. Thus, both of these subjects might be familiar but their true meaning is not so evident. For example, people do not always realize their motivational factors and how culture has influenced them. In order for a person to know what motivates him/her, one has to comprehend the values set on various matters. Relationship, school, status, money or family represent examples of concepts that are considered important. However, it demands a process of evaluation before one is able to understand, manage and adjust motivation.

⁵ Leung, Kwok & Van de Vijver, Fons, (1997), *Methods and Data Analysis for Cross-Cultural Research*, London: Sage Publications Inc: p. 1

Therefore, even though every individual has a unique way of understanding their own reality, it is not definite that they are aware of it. Hence, the preconceptions that the writers of the thesis might have concerning corporate culture and motivation will try to be minimized by having mutual discussions. The fact that motivation and corporate culture have been a topic on few occasions in the educational years of the writers' life has an influence, which will be counterbalanced by the writers' diverse way of thinking.

In relevant literature, preconceptions are divided into two main categories. Johansson-Lindfors divide them to primary and secondary preconceptions. The primary preconceptions are an issue related to individual's self-experience, affected on a personal level due to social background. Motivation and corporate culture have both been a fairly common topic, at least in business articles but their interconnectedness is a topic that is not as developed as it could be. This issue was realized in the course of writing this thesis but not fully, thus the matter of primary preconception is not really there.⁶

The secondary preconceptions alternatively refer to knowledge that individual builds out of the received education⁷. As mentioned both authors have experience about motivation and corporate culture, thus preconceptions exists. Those preconceptions are recognized and they are taken into consideration throughout the course of the study.

Preconceptions influence the way of thinking. To date the topic of motivation has come on various occasions in the writers' educational years but the conversations and studies have never gone into a really profound level. That is why a lot of effort has been directed into understanding the true meaning of motivation and corporate culture. In terms of the two examined subjects, corporate culture is more familiar to us due to the reason that the authors have studied it more. In the course of this study, both subjects will be handled as objectively as possible. Although, it can be relatively easy to let personal considerations affect one's judgement, especially the manner in which corporate culture is dealt with.

2.3. Theory of Knowledge

The reader of this thesis should be aware of the chosen scientific perspective. The purpose of this passage is to do that by clarifying the chosen viewpoint and its justifications.

There exist two main perspectives of knowledge in which scientific knowledge is generated. The first one is called hermeneutics, and the other one is positivism. Hermeneutics refers to the process of analysing text and it takes into consideration the perspectives of the author.⁸

⁶ Johansson Lindfors, Maj Britt, (1993), *Att utveckla kunskap*, Lund; Studentlitteratur: p. 67

⁷ Ibid, p. 67

⁸ Bryman, Alan & Bell, Emma, (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 412

Positivism in contrast is said to be “*an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond.*”⁹ Therefore, it has to do more with scientific knowledge and in the case of motivation and culture, which are more contextual based the use of positivism would not be appropriate.

The chosen perspective for this study is therefore hermeneutics, mainly because it is about explaining and understanding. One of the purposes of this study is to understand the dimensions that affect the process of selecting and evaluating motivational factors used in office environments. The situations and circumstances where these decisions are made have to be analysed, otherwise the aspects that affect the decision making process are not taken into consideration. In this study those features relate to corporate culture. Consequently, by plainly ignoring those issues that affect the process, various considerations would not be dealt with and this thesis would not reach its aim.

2.4. Scientific Approach

The theoretical approach to collecting empirical data can be done through two main theories. Deductive and inductive approaches present those outlooks of the relationship between theory and research. According to Alan Bryman and Emma Bell, deductive theory occurs when “*the researcher, on the basis of what is known about in a particular domain and of theoretical considerations in a relation to that domain, deduces a hypothesis that must then be subjected to empirical scrutiny.*”¹⁰ The deductive approach requires a theoretical background before beginning the process of collecting empirical data. Generally, the deductive theory is related to quantitative methods of data collection, but it is also possible to choose an approach closer to the deductive approach than the inductive one, with a qualitative method. This latter matter concerns this thesis because even though a qualitative study is conducted, there is a background of knowledge that is presented in the theoretical framework.

According to Bryman and Bell, “*with an inductive stance, theory is the outcome of research. In other words, the process of induction involves drawing generalizable inferences out of observations.*”¹¹ A pure inductive method assumes that nothing is known about a topic, which is not the case in this study. In addition, this would demand that theories would be constructed based on the findings from the two analysed IT organizations.

Even though the researchers’ aim is to generate new knowledge about the topic with a model showing the relationships between corporate culture and motivational practices as well as their results, the outcome of this thesis will not be a groundbreaking theory. Therefore, deductive approach was chosen since its more suitable form. In practical terms this means that the already existing theories will form the foundation of a hypothetical model, which in turn will be tested against the findings from the empirical data. This final confrontation should generate a new model of understanding and provide out theoretical contribution.

⁹ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 572

¹⁰ Ibid, p. 412

¹¹ Ibid, p. 12

2.5. Choice of Research Method

An important point of this research is its cross-cultural aspect. As mentioned earlier the inspiration behind our cross-cultural study between Sweden and Finland is influenced by the writers' background, interest towards cultures and issues related to geographical locations. This facilitated the process of accessing and collecting data in Finland and in Sweden.

The next step was to choose a technique in order to collect data. Considering the more deductive approach and the limited possibilities to gather data, qualitative research method was chosen. In general, qualitative method is based on the will to understand the social phenomena.¹² Despite the fact that the approach is more deductive in nature, it is influenced by interpretative method because the aim is to understand the meanings of the social phenomena. The ontological position in a pure interpretative research is defined as constructionist. It means that the social world is built on "*the outcomes of the interaction between individuals*"¹³.

Overall qualitative studies can have various approaches such as observation, focus group, interviews, or the study of documents. For the reason of costs and time, a decision was made to lead our qualitative research with a series of semi-structured interviews. In general terms, semi-structured interviews are employed in qualitative research with the aim of revealing not only "*what*" and "*how*" but in addition to place more importance on exploring the "*why*"¹⁴. Therefore, this direction was taken.

2.6. Bias of the Research Method

One has to be aware that in qualitative research, the researchers are more involved in the collection of data process. Therefore, the possibility to get bias data increases widely. Obviously this is not wanted and one has to be very careful not to interfere and lead the respondents in certain directions, reflecting in this case the interviewer's own values and beliefs. The researchers have to be objective during the process and a lot of effort has to be put on not influencing the respondents. The thought is not to control or indicate whether the respondents' answers are considered to be "right" or "wrong" by the survey conductors. In short, the purpose is to find out what the respondents think, not what the interviewer or "everybody" thinks.¹⁵

However, there is always the possibility that the survey conductor meets difficulties in getting answers from the respondents because of their inability to express their thoughts or elaborate on the matter. In these situations, the researcher can choose to

¹² Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 280

¹³ Ibid, p. 280

¹⁴ Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: p. 212

¹⁵ Ibid, p. 27

interact more than what is usually expected in order to get the needed data. The researcher should still try to avoid guiding the respondent in his or her answers.¹⁶

2.7. Collection of Theories and Secondary Sources

The exploration for relevant theories began at the Umeå University Library, with a general search for textbooks about motivational and cultural issues. Through the access of the Library web page's search engine *ALBUM* several scientific articles were found. Keywords such as *motivational tools*, *organizational culture*, *corporate culture*, *job satisfaction*, *work environment* aided the investigation, as did good advices received from the professors of Umeå School of Business at Umeå University.

Without the various databases, which can be accessed through the Umeå University Library web page, this thesis would not have succeeded in forming the necessary theoretical background. The referred databases include *Business Source Premier*, *Emerald Full Text* and *EBSCOhost*, which all proved to be huge tools in the process of searching for relevant scientific texts.

The process of collecting theories and secondary sources would not have been completed without the use of Google scholar. Even though this particular database has the tendency to provide similar finding as the ones accessed through the Umeå University's Library web page.

2.8. Criticism of Secondary Sources

A secondary source is information that has been previously published or is available indirectly¹⁷. Textbooks, scientific articles and the Internet, which are the main sources of knowledge in this thesis, represent those secondary sources. For this thesis an effort was put into incorporating sources that were relatively up to date and peer-reviewed. In general, this objective was fulfilled but on few occasions there was a need to use articles from the Internet that were not peer-reviewed. These articles lack the needed scientific background but in each case proved to be the only source for such information. All the other articles were peer-reviewed and their scientific sound is further strengthened by the fact they were taken through the Umeå University's library web page or using Google Scholar.

In regards with traditional and innovative motivational practices, most of the information is derived from Internet. Therefore their scientific background is questionable. Although, innovative and traditional motivational practices are concepts defined by the writers, thus finding such information that describes them is difficult. Due to this reason Internet proved to be the only source.

¹⁶ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: pp. 126-127

¹⁷ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 194

3. THEORETICAL FRAMEWORK

In order to comprehend the concepts and theories presented in this study it is imperative to define issues such as motivation, corporate culture and job satisfaction. This chapter has the aim, besides describing the vital concepts, of forming the backbone of the thesis by introducing those employed theories.

Corporate culture draws its roots from various sources. These include issues such as the national, regional and the organizational field where the organization lies. These aspects form the organization's culture, which in turn can be categorized into various categories. For this study the relevant cultural roots come from Finland, Sweden and the IT-industry.

Overall, corporate culture has a significant role to play. It provides a framework where managers can implement motivational tools, which affect the way employees behave. To create a culture that fosters individual motivation is not easy because it takes time to figure out the factors that motivate each employee. Nowadays, this issue is becoming even more important as well as difficult since individuals draw their interest from other things besides money. Individuals, especially qualified ones, have also more choices in regards to potential placements of work. Therefore, organization's motivational practices have vital part in attracting employees and facilitating success at the competitive markets. Furthermore, innovative practices benefit organizations by facilitating recruitment, enhancing loyalty, improving creativity and generating even more satisfied employees.

The following figure presents the flow of the theoretical framework.

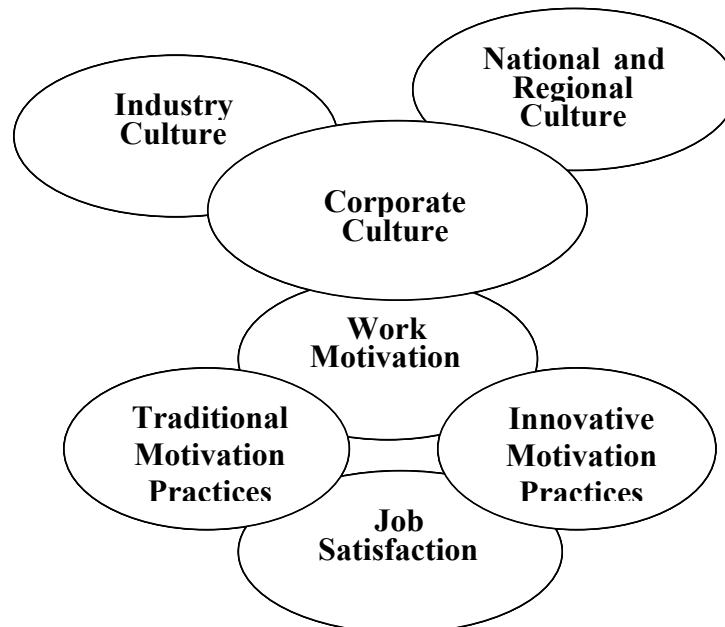


Figure 1 - *The Disposition of the Theoretical Framework*

3.1. National and Regional Culture

In order to understand the implication of culture in our study it is important to define this concept. When describing culture, one is discussing about various concepts such as values, norms and beliefs. They are often represented as cocentric spheres comparable to the layers of an onion.¹⁸

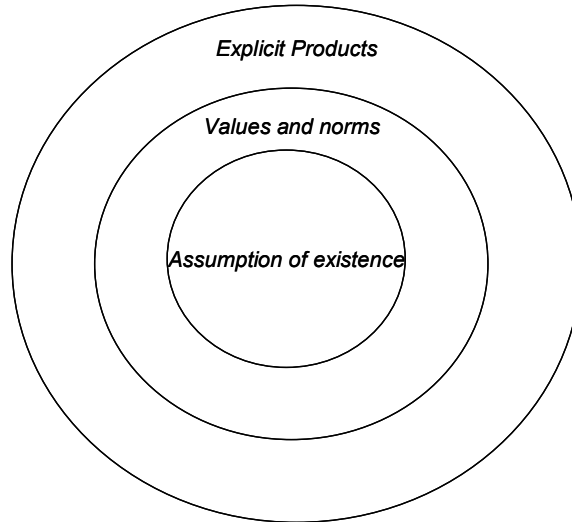


Figure 2 - Trompenaars and Hampden-Turner's culture model
(Trompenaars, F., Hampden-Turner, C., 1997)

The figure two from Trompenaars and Hampden-Turner represents the culture from its most implicit characteristic to its most explicit one. The assumption about existence is in the core of the culture. This implicit aspect is difficult to identify as well as explain and is based on the collective experience from which the group organizes itself in order to deal with the environment and the different circumstances that the group has to face¹⁹. The second layer consists of values and norms. Values can easily be identified as the ideals of a group. They are often written down and are the expressions of “good” and “bad”. The norms express what is “right” and “wrong” through formal or informal aspects such as law or social control. These norms and values dictate people’s behaviours within a group. Hence, cultural stability is based on the cohesiveness between the norms and the values in a group. The latter layer is the explicit product of the culture such as language, food, monuments and symbols, art, fashion, etc²⁰.

¹⁸ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: p. 6

¹⁹ Ibid, p. 6; and Johnson, G., Scholes, K., Whittington, R., (2006), *Exploring Corporate Strategy*, Prentice Hall, 7th Edition: p. 47

²⁰ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: p.6

Moreover, culture varies upon groups of people. Therefore, we can distinguish various levels of culture. Based on the existence of *superordinate* group²¹ and subgroups²² in the development of individual identity, we assumed that the same kind of level exist in the culture development. Thus, the national culture can be identified as a *superordinate culture* and within it exist several *subcultures*, for instance the corporate culture or particular group culture linked by the a common function such as marketing department. These groups are found to be a mix of the main characteristics of the national culture and some specific aspects related to this group.

3.1.1. Regional Culture

National cultural milieu influences the outlook of an organization's stakeholders. Hofstede and Trompenaars proved for example how attitudes to work and authority differ depending from the location. Forces related to historical, political, economical and even climate factors have shaped the culture that exists in various national locations.²³ One should remember that even though cultural differences seem to be largest between nations, there exist cultural differences even inside countries. According to Johnson et al., "...it may be necessary to identify important subnational (usually regional) cultures. For example, attitudes to some aspects of employment, supplier relationships and, certainly, consumer preferences may differ significantly at a regional level even in a relatively small and cohesive country..."²⁴

These regional ties can be so strong that they actually compete with national identity. This can have at least two implications. First, individuals are more influenced by their respected regional culture. Such an example can be seen in Spain where the northeastern part, known as the Basque country is fighting for its independence from Spain. Individuals from this part of the country in general identify themselves more as Basques than Spanish. This can have various meanings, for example in terms of individual behaviour and motivation. Second, regional cultures influence organizations' corporate culture.²⁵ According to Schneider et al., "*Regional culture can have a strong influence on corporate culture as in the case of Michelin, the World's largest tire maker and technological leader Michelin, the only major French company with headquarters outside Paris, plays on its home town roots in its disdain Auvergne region in central France known for being modest, austere and pragmatic.*"²⁶ This means that for example an organization's corporate culture can be more similar to the regional culture than to the national one.

Geert Hofstede was one of the first scholars to explore the differences between national cultures. His study has been criticized because it does not take into account the previously mentioned regional cultures. This is a serious concern for Hofstede's study but irrelevant for this thesis since the two studied organizations are

²¹ Gaertner, S.L., Bachman, B.A., Dovidio, J., Banker, B.S., Corporate mergers and stepfamily marriages, Identity, harmony, and Commitment, In Hogg, M. & Terry, D., (2001), *Social Identity Processes in Organizational Context*, Philadelphia; Psychology Press: p. 268

²² Ibid, p.270

²³ Johnson, G., Scholes, K., Whittington, R., (2006), *Exploring Corporate Strategy*, Prentice Hall, 7th Edition: p. 197

²⁴ Ibid, p. 197

²⁵ Schneider, S.C. & Barsoux, J-L., (2003), *Managing Across Cultures*, Harlow; Prentice Hall, 2nd Edition: p. 53

²⁶ Ibid, p. 54

geographically located in a place where there are no strong regional cultures, at least not to that extent that they would greatly differ from the national culture. For this reason Geert Hofstede's study will be applied in the course of this thesis. The next section will disclose in a more detailed way how Hofstede's theory relates to this study and what kind of national differences can be found between the two studied countries, Finland and Sweden. However, the criticism pointed towards Hofstede's study has been taken into account and therefore another study, which was conducted by Fons Trompenaars, will be involved. Trompenaars study is more related to various corporate cultures and what nations prefer, what cultures, as well as what kind of impacts do these different cultures have on motivation.

3.1.2. National culture in organization

The study of culture can be related to the concept of prototypicality, which is defined in the Social Identity Theory. Prototypicality is a common particularity shared by a group. Thus, it can be applied to characterize groups with a common culture. This might occur at a national level or organizational level. It gives some guidelines in order to better understand people's behaviour in a specific group.²⁷

Hofstede has provided his own definition of culture as "*the collective programming of the mind which distinguishes one group or category of people from another*"²⁸. He was referring in his work to the people of a nation but we can also apply this definition to an organization as a one group of people. This endorses the issue that corporate culture is a unique aspect in organizations, even though it suffers from the fact that it is difficult to manage. The manner in which culture is managed can be done in two ways, through internal marketing and as a tool of organizational attractiveness. The former influences individuals inside a company and the latter outside the company.²⁹

Hofstede's study of culture highlights some differences between countries. His study has provided five dimensions that are used to develop an image of general behaviour in each country. *Power distance* is the first dimension and is defined as the "*degree of inequality among people*"³⁰. According to our description, small power distance means that people are relatively equal within an organization whereas a larger power distance describes the opposite tendency. Generally in Scandinavia, power distance is relatively small. In Finland this factor is around 30 percent and in Sweden it is around 28 percent.³¹ The second dimension is *individualism vs. collectivism*³². It measures whether people want to act by themselves or as members of a group. Finland and Sweden have equal rate of individualism of 70 percent each³³. *Masculinity* is the third

²⁷ Hogg and Terry, (2001), Social Identity Theory and Organizational Processes, In *Social Identity Processes in Organizational Context*, Philadelphia; Psychology Press: pp. 1-12

²⁸ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 434

²⁹ Ibid, p. 434

³⁰ Ibid, p. 434

³¹ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00) and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

³² Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 434-435

³³ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00) and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

dimension and can be defined by the values that are typically associated to men such as assertiveness, performance, competition and success. These values are opposed to *femininity*, which are more associated with women's values such as quality of life, maintaining warm personal relationships, service, care for the weak and solidarity³⁴. When these figures are applied to the two relevant countries, one can recognize that Finland has a rate of masculinity of 20 percent, which means that the feminine values are enhanced. In Sweden these values are even more equal with a rate of masculinity of 7 percent.³⁵ The fourth dimension is *uncertainty avoidance*, which refers to whether people like "*structured or non structured situations*"³⁶. A group with weak uncertainty avoidance is flexible and people are more easy-going. The differences are not considered to be a threat but curiosity. Finland has a higher rate of 50 percent whereas Sweden has a rate of 25 percent.³⁷ The fifth and the last dimension is the *long-term vs. short-term orientation*. It will not be analysed since Hofstede's study in this category did not take Finland into consideration.

When linking these factors to motivation our assumption is that the general Scandinavian tendency of small *power distance* can impact employees' motivation by facilitating communications inside the company and it can also denote flatter hierarchy as well as better understanding towards the needs of the employees. The *individualism* aspect implies the goal of motivation and job satisfaction. Thus, motivation and job satisfaction will have more personal roots and have to answer to a need of a personal satisfaction more than to a group satisfaction. In general individuals are seen as more important than the group. From a social identity aspect, the self-conception of the individual is important. *The environmental contingencies*³⁸ influence behaviours by giving the possibility to get personal gain or loss at an individual level. The third and the fourth factor are very important for our study because they may in some occasions suggest as to whether or not particular motivational practices should be applied or not. We can assert here that a country with a higher *femininity* rate would most probably prioritise quality of life, relationships between people, services, solidarity and help. Thus, a company in that country could be in a better disposition to develop innovative motivational practices in order to allow its employees to benefit from a better quality of life. Weak *uncertainty avoidance* could also be a sign that companies in such a country would be more able to apply these new innovative motivational practices because they are new and they can be perceived with curiosity and tested in order to see if they are efficient.

³⁴ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: p. 435

³⁵ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00) and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

³⁶ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: p. 435

³⁷ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00) and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

³⁸ Tyler, T., *Cooperation in Organizations: A social Identity Perspective*, In Hogg & Terry, (2001) *Social Identity Processes in Organizational Context*, Philadelphia; Psychology Press: pp. 149-165

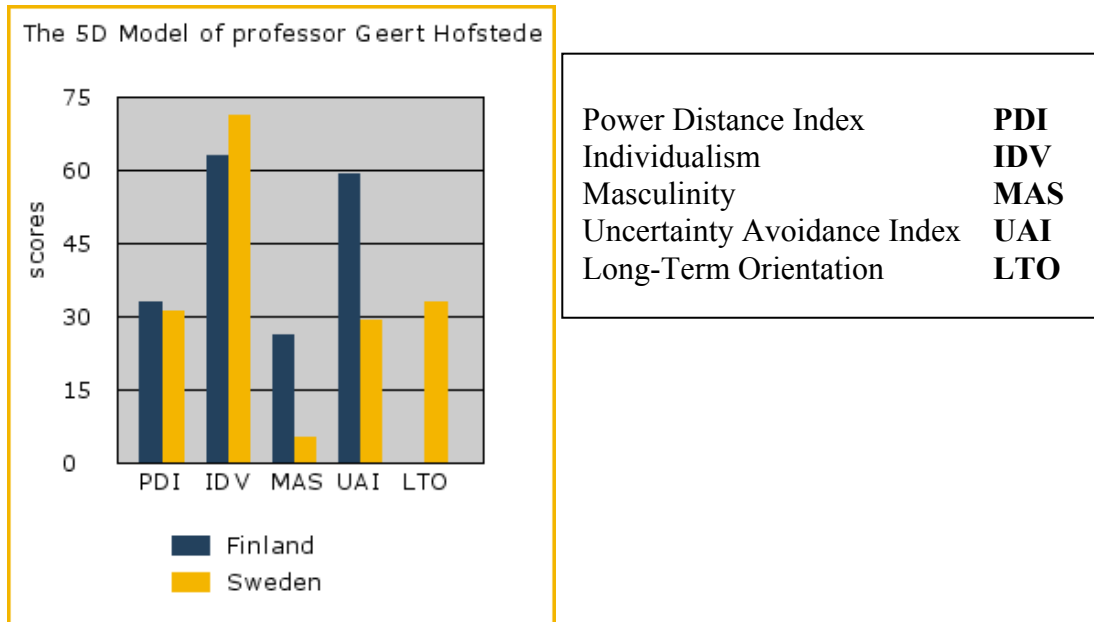


Figure 3 - Hofstede's Cultural Dimensions
 (http://www.geert-hofstede.com/hofstede_dimensions.php?culture1=32&culture2=86#compare)

3.2. Industry Culture

The reason why industry culture is relevant for our topic is that cultural differences vary between industries and these differences can affect the chosen motivation management style. For example, the IT industry is culturally relatively distant from pharmaceutical industry. While differences in some industries are more easily recognized for example between paper and fashion industry, in others the differences are less obvious. Mergers between organizations are a fine example of how cultural differences can affect business relationships. A number of mergers have failed because two organizations with different industrial backgrounds did not share similar cultural views. An example of this comes from the relatively recent trend of “financial supermarkets”.³⁹ According to Schneider et al., “the recent trend...sought to encourage alliances between banking and insurance ran into difficulties when bankers and insurers realized they did not share similar world-views on managing a business.”⁴⁰ Therefore it is important to know what kind of culture an organization has because it can have large implications on several issues related to business activities. In the insurance and banking case, the insurance business is influenced by customer-driven and sales-oriented mentality, which is not the case in the banking industry.⁴¹

³⁹ Schneider, S.C. & Barsoux, J-L., (2003), *Managing Across Cultures*, Harlow; Prentice Hall, 2nd Edition: p. 57

⁴⁰ Ibid, p. 57

⁴¹ Ibid, p. 57

The IT industry is described as a fast paced, high growth industry. One could say that it mirrors the speed of technical progress of the modern civilization. Few large corporations such as Microsoft have a major role in the IT industry but there exist numerous small and medium sized organizations that produce IT related commodities for the end users and/or for larger corporations. According to the authors, IT industry is traditionally associated with a youthful and energetic culture, where employee motivation is done according to the latest trends. The next section will provide a deeper analysis of this industry.

3.2.1. Information Technology Industry / Culture

A more relaxed atmosphere in general dominates this type of industry, where the product/service itself acts as the push factor, opposite to the pull factor activated by the customers. Organizations that operate in the information technology (IT) industry have a trend of emphasising large open spaces at the office in order to support change of ideas and interaction in general. The more relaxed culture can also be noticed in the informal dress code and the tolerance towards diverse behaviour, which is more obvious in the IT industry than in any other.⁴² A statement made by Schneider et al. declares the true nature of several corporate cultures in this industry “*core values and beliefs have to do with the technological imperative, advancing science, and developing perfect sophisticated products. A common belief is that the product will sell itself, and that therefore marketing is not necessary.*”⁴³

Understandably, IT cultures rely on individuals’ innovative capacity. This is one of the reasons that the industry is more open to employees’ ideas as well as artistic and creative behaviour since these types of activities usually generate innovativeness. Although, if an organization decides to apply this type of corporate culture it can have some side affects. Those can include such issues as higher level of risk taking and longer-time perspectives. In addition, one of the most important things that this type of culture aims at generating are relationship, since they possess the key element to success by providing a foundation for exchanging ideas and facilitating communication.⁴⁴

As mentioned, individuals who work or are potential employees for an IT industry have nowadays more freedom in choosing whom to work for. This and the fact that the industry has always attracted individuals from diverse backgrounds emphasise the fact that employers in this industry have to find various ways of motivating their employees.

3.3. Corporate Culture

3.3.1. Past and Present

The interest towards corporate culture began in the 1980s when North-American commerce began to investigate the success behind Japanese organizations. The reason for their success was thought of being in their unique corporate culture. The Asian

⁴² Schneider, S.C. & Barsoux, J-L., (2003), *Managing Across Cultures*, Harlow; Prentice Hall, 2nd Edition: p.58

⁴³ Ibid, p. 58

⁴⁴ Ibid, pp. 58-59

economic boom that occurred during that same time period introduced the theory Z, which is another name for the so called “Japanese management” style that emphasizes employee loyalty and workers overall well-being, regardless whether the employee is on or off the job. On the other hand, the strong interest towards corporate culture accumulated from a previous overemphasizes on strategic issues, such as planning and structure, which did not seem to provide motivation, mission and course anymore.⁴⁵

Scholars such as Peters and Waterman claimed in their book “In search of Excellence” that an organization does not have to have Japanese origin in order to excel. For example organizations like Disney and IBM proved this to be true by becoming highly successful with their own US influenced corporate cultures. This supported the idea that a strong corporate culture, which is extensively shared and has deeply thought beliefs and values, could also lead to success.⁴⁶

This turned out not to be as simple as it sounded and several companies that believed in the strength of their corporate culture actually saw their demise after a few years. It cast a shadow over the concept of corporate culture, which was not lifted until it was realized that corporate culture could not be blamed for every business mistake.⁴⁷

In Europe, the wave of interest towards corporate culture came a bit later, to be more precise it occurred in the late 1980s and early 1990s. The increasing competition experienced in the markets, especially coming from the Japanese counterparts, facilitated the European interest in the subject. In the forefront of this movement were Scandinavian Airlines (SAS) the Swedish airline organization and Daimler Benz. The shifted interest facilitated SAS’s ability to transfer their engineer-driven corporate culture to a more market-driven one. Daimler Benz’s was able to do the same thing with their hierarchical structure, converting it to a more flexible and adaptive one.⁴⁸

3.3.2. Definition and Discussions

Diverse definitions of corporate culture were available. However, for the need of our study, the following definition was chosen. Corporate culture, which is also known as organizational culture, can be defined as the unconscious beliefs, values and basics assumptions that exist in an organization. All the members regardless of their position in the organization share them. Corporate culture can also be defined as the taken-for-granted views on how the organization sees itself and its environment⁴⁹. It includes the organizational structure, hierarchy, management practices and the work style⁵⁰. It also influences the set of personal and professional goals of people and the ways to manage them by allocating beneficial resources in order to achieve and perform in

⁴⁵ Schneider, S.C. & Barsoux, J-L., (2003), *Managing Across Cultures*, Harlow; Prentice Hall, 2nd Edition: p. 68

⁴⁶ Ibid, p. 68

⁴⁷ Ibid, p. 68

⁴⁸ Ibid, p. 69

⁴⁹ Johnson, G., Scholes, K., Whittington, R., (2006), *Exploring Corporate Strategy*, Prentice Hall, 7th Edition: p. 47

⁵⁰ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

different tasks⁵¹. Usually a mix of explicit and implicit rules and behaviours, a corporate culture can be enunciated in both written and unwritten way through norms and values, which are important for an organization⁵².

Culture generates but also proposes boundaries in such a way that certain activities may become impossible to implement. A very simple example of this is the nature of buildings where individuals exercise their occupation. Buildings' very basic structures, for example walls and floors set constraints so that an individual is not able to do everything that the will desires. According to Donald Munro, "*culture can also affect motivation at lower physical levels, in that cultures produce artefacts and alter the environment in such a way that other mental processes that serve motivational states are also affected.*"⁵³ Therefore, corporate culture provides two implications to motivation: it limits its existence and it also provides a framework where to alleviate it.⁵⁴

In general, corporate culture is determined by three characteristics related to the organizational structure:⁵⁵

- The general relationship between employee and organization
- The authority system which defines managers and subordinates by a vertical or hierarchical system
- The employees' opinions about their place in the organization's future, purpose and goals.

Corporate culture has a goal of forming cohesion. Companies with strong corporate culture are more able to improve their performances by committing members of the organization in a stronger way⁵⁶. Thus, corporate culture highlights values, beliefs and behaviour that should be followed by the employees. Despite this it is up to the employees to decide whether to follow them or not. However, cultural considerations work the other way as well. Employees have an impact on the organization by bringing with them their own beliefs and values⁵⁷. Hence, their level of commitment will depend on these individual factors. If employees adopt the values and beliefs that the corporate culture stands for, the result will be a high level of commitment and

⁵¹ Lok, P., Crawford J., (2004), The effect of organisational culture and Leadership style on job satisfaction and organisational commitment, In *Journal of Management Development*, Vol. 23, No 4: pp. 321-338

⁵² Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁵³ Munro, D. Levels and Processes in Motivation and Culture, In Munro Donald & Schumaker, John & Carr, Stuart, (1997), *Motivation and Culture*. New York: Routledge: p.13

⁵⁴ Ibid, p. 13

⁵⁵ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: p. 157

⁵⁶ Kelemen, M. & Papsolomou-Doukakis, I., (2004), Can culture be changed? A study of internal marketing, In *The Services Industries Journal*, Vol24, No5: pp. 121-135

⁵⁷ Lok, P., Crawford J., (2004), The effect of organisational culture and Leadership style on job satisfaction and organisational commitment, In *Journal of Management Development*, Vol. 23, No 4: pp. 321-338.

cohesion. On the contrary, if personal values and beliefs do not fit with the corporate culture, the gap can impact negatively on the employees. Obviously, the optimal result is achieved when the organisation's culture and the employee's beliefs and values match.

Earle points out in his research that companies with a high level of cohesion have a strong corporate culture by sharing the values of "camaraderie"⁵⁸, the term that is also known as friendship. In this case, the hospitality, intimacy and community within the workplace are important factors and create a pleasant atmosphere where a sense of belonging is well developed. These companies do not face difficulties in attracting and retaining employees, which denotes a high level of job satisfaction and motivation.

This aspect of corporate culture can be related to the "*Family culture*" defined by Trompenaars & Hampden-Turner⁵⁹. They argue that this type of culture emphasizes close and personal relationships among people in the organization and at the same time creates a strong hierarchical and power-oriented culture. The managers are supposed to know almost everything, which denotes a very good level of communication from the employees and the managers. This is an upward process, highlighting the managers learning process in order to make decisions that affect the organization in a positive manner. The family culture enhances loyalty, trust and commitment towards the organization and the top manager has the "father" role. The family culture-oriented organization can be very closely linked to the employees' personal life. For instance, the study of Trompenaars & Hampden-Turner observes that in countries where family model is common organizations provide housing for the employees⁶⁰.

Trompenaars & Hampden-Turner have also found three others different kinds of organizational cultures. A strong and rational hierarchy characterizes the Eiffel Tower culture where the role, which is strictly defined, is more important than the personality of the managers. Personal relationships are avoided in this kind of organizational culture because it can impact on the evaluation of the employees. Motivation and commitment of the employees are based on their role in the company and the rules that govern it.⁶¹

The *Guided Missile culture* is based on equality and task-orientation. The role by itself is not well defined but is included and related to other tasks in a bigger process to reach the goals. This culture is widespread in project orientation. This culture implies more loyalty towards professions and projects than organizations because individuals' can change companies in order to be hired on a new project requiring their competences. Then, the motivation is intrinsic to people as well projects and can

⁵⁸ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁵⁹ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 158-166

⁶⁰ Ibid, pp. 161-165

⁶¹ Ibid, pp. 166-170

also be implemented by current pay-for-performance practices regarding to the reached objectives.⁶²

Lastly, the *Incubator culture* is self-oriented and highly individualistic and egalitarian. The organization serves the fulfilment of the individual. Motivation is intrinsic to people and intense.⁶³

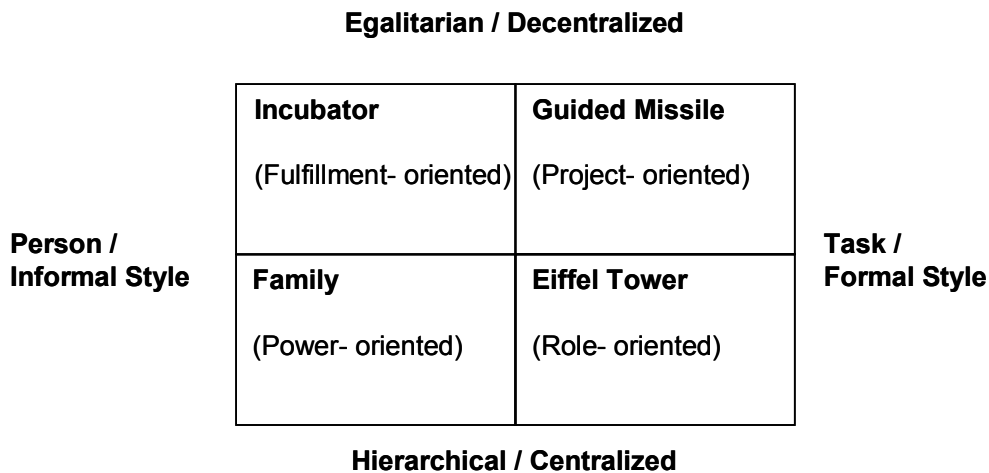


Figure 4 - Trompenaars' Four Diversity Cultures
(http://changingminds.org/explanations/culture/trompenaars_four_cultures.htm)

Depending on the country these diverse cultures can be more or less present and their influence can vary as well. In general, the more attractive the corporate culture is seen by the employees, the more committed they are towards it. Therefore, corporate culture influences motivation of the employees. Nevertheless, an attractive corporate culture must be real in the structure and behaviour within the organization and not only in the words, which promote “pleasant” values. The reason for this is that people can easily perceive the differences between claimed corporate culture and the reality itself. If motivated employees perceive that the culture promoted is not genuine they will loose their motivation and feel “betrayed and disrespected”⁶⁴. A consequence from this kind of activity can be that employees resign from their jobs. The impact of culture on motivation can also be seen in its capacity to have continuously challenging, productive and dynamic environment. The level of innovation and creativity has to be enduring in order to keep employees alert and motivated.

⁶² Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 172-175

⁶³ Ibid, pp. 175-177

⁶⁴ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

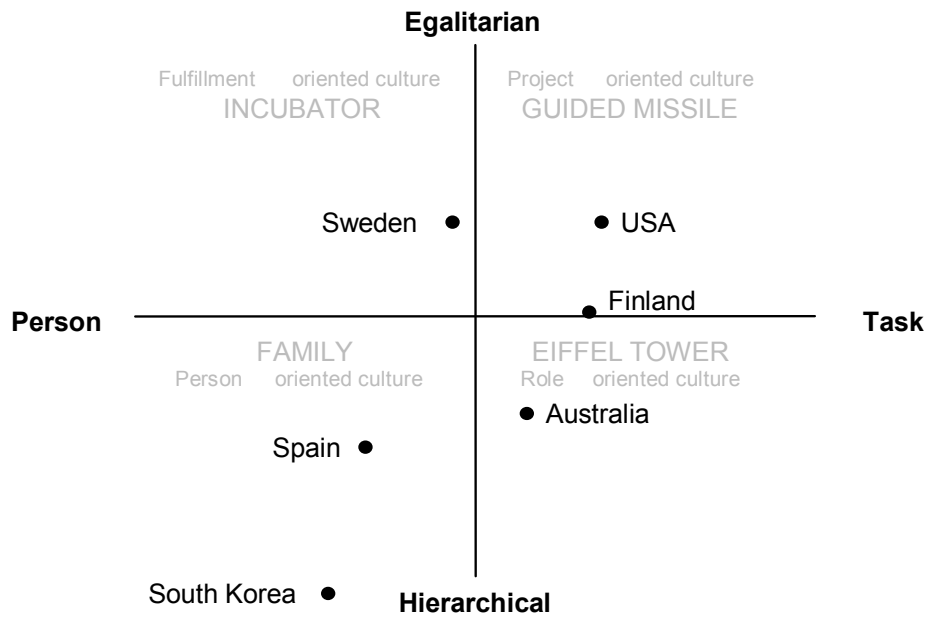


Figure 5 - National Patterns of Corporate Culture & Corporate Image
 (Adaptation from Trompenaars model - Trompenaars, F., Hampden-Turner, C., 1997, p 179)

Most of the cultures that Trompenaars describes rarely ever exist in a pure form; they are more often in a combination, with one type dominating the relationship. However, usually one type of culture is more common in one country than the other. From the figure five, one is able to comprehend what type of culture dominates in what country. In order to have a more global view on the matter, six nations were placed on the figure. The figure shows how each nation differs in respect to the dominating corporate culture. This implies that individuals in each country relate differently, have different outlooks of authority, reflect, learn and change in various manners and that they are motivated by different rewards.⁶⁵

3.4. Work Motivation

In order to describe work motivation, it is imperative to define what the term motivation means. The word “motivation” finds its roots in Latin “*movere*”, which means, “*to move*”; therefore in this basic sense the study of motivation is a study of action and the stimuli that make people move. This latter part should be constantly in the manager’s mind when he or she is thinking about motivating his/her employees. Contemporary theories of motivation centre more specifically on the relation of beliefs, values, and goals with action.

However, motivation should not be confused with movement. Movement that an individual makes transpires through fear or failure to reach an objective. Motivation in contrast functions as an engine for inner human growth by providing attractive and demanding tasks. This can also be defined as the reflection of the psychological state

⁶⁵ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 177

to have the intention to do something or to behave in a specific way. Rewarding should then correspond to individual's internal needs.⁶⁶

3.4.1. *Motivation and Individuals*

Throughout the 1980s and 1990s various nations suffered from economic stagnation. The economic depression that troubled the Western Europe in the 1990s was most deeply felt in Finland and Sweden. Finland and Sweden suffered from very high interest rates, high unemployment and very unbalanced governmental economy. The troubled economy led to overall discontent among individuals all over Europe and US.⁶⁷

The 1990s also saw the rise of globalisation, which altered the world in more than one way. The increasing uses of cheap labour especially by the multinational corporations shook the labour markets by creating a sense of insecurity. Thus, individuals began to a greater extent to worry and fear about losing their jobs. According to Kao and Sek-Hong, "*This feeling often curtails and impairs...commitment to work, incentive to perform, and loyalty to the firm*". In addition, Western culture's motivational theories with their orientation on self-satisfaction and instrumentalism have mainly emphasized rewarding those individuals, which succeed. The major concern with these theories is that they did not take into consideration individuals who are highly motivated but incapable of accomplishing. This produced a situation where managers and in particular human resource managers were not able to answer the needs of every employee. The discontent of individuals and insufficient motivational theories resulted in overall unhappiness, which led to protesting and resignations.⁶⁸

Due to the rise of the dot.com companies more interest was focused to employee motivation. Companies had to increase their organizational attractiveness in order to entice potential employees from the narrow pool of workforce. At that particular moment, individuals with high level of technological skills and knowledge were very scarce and thus they were in a position to negotiate better working times and conditions. Therefore, dot.com organizations fell into a position where they had to invent answers to the growing demands. It was understood that a differentiated corporate culture, where motivational needs were met in more than through financial rewards could be the way to stand apart from other organizations. These developments guided the way and created a trend, which has become more influential today. Studies have shown that employees in the Westerns cultures are still drawing their motivation from self-satisfaction issues but the scale of motivational reasons has gone wider.⁶⁹

Motivational factors can be various and differ according to the age. Earle distinguished *the Baby-boomers, the Generation X and the Generation Y*⁷⁰. The

⁶⁶ Herzberg, Frederick, (2003), One More Time: How Do You Motivate Employees?, *Harvard Business Review*, Vol. 81, No. 1, pp. 86-88

⁶⁷ http://www.stat.fi/tup/economicstrends/econ404_pohjoismaat.html, (2007-03-29, 13.30)

⁶⁸ Munro, D. & Schumaker, J. & Carr, S., (1997), *Motivation and Culture*, New York; Routledge: p. 120

⁶⁹ http://findarticles.com/p/articles/mi_m0DTI/is_8_29/ai_79755944/pg_1, (2007-04-07, 13.00)

⁷⁰ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

Baby-boomers, born between 1949 and 1965, are usually motivated by a quiet environment but they can also work in more energized environment if they have the flexibility and autonomy they need in order to balance their professional and private life. The *Generation X*, born between 1966 and 1977, are motivated by flexibility even if this would impact their salary. This need of flexibility is an answer to the stimuli-rich and hectic environment where they feel comfortable to move and live in. Finally, the *Generation Y*, born after 1977, is the new generation on the labour market and is motivated by relationships with each other from which they can learn and develop themselves. They need a stimulant workplace and open-minded environment where tolerance, diversity and exchange are common and offer an informal and lively place to work. These issues encourage their creativity. In terms of organizations, flexibility and open culture are thus highly valued ⁷¹.

The importance of workplace considerations is understandable for the reason that the last generations will have to spend a large part of their life there. Flexibility is also a fundamental factor to take into consideration because it is highly represented in all generations. This is an answer to the uncertainty of work-life and to the curiosity of the new generation.

3.4.2. Motivational Theories

This section will deal with motivational theories. A common awareness exists that theories do not always fit with reality and motivation is highly individual dependent. Therefore, individuals' behaviour differs based on what they want. Nevertheless, for the purpose of this thesis various theories were chosen in order to have a better understanding of how people get motivated. Abraham Maslow's theory is the only example, which will be more deeply analysed. The reason for this is its universal reputation.

All the theories introduced are rooted in the Western traditions, since they steer action that is driven by self-interests. Frederick W. Taylor implied that motivation should be encouraged by the use of monetary rewards. Another early motivation theory, which was introduced by B.F. Skinner's *Operant Learning and Reinforcement Theory*, supported the idea of altering workplace behaviour. Thus, behaviour methods were produced and work environment were improved in order to generate stronger employee motivation.⁷²

Motivational theories can be classified into three groups, which are further explained in the following passages. The three categories are: ⁷³

- *Personality-based views*
- *Cognitive choice / decision approaches*
- *Goal/self-regulation perspectives*

⁷¹ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁷² Kanfer (1992), Work motivation: new directions in theory and research, In Wiley C., (1997), What motivates employees according to over 40 of motivation surveys, *International journal of manpower*, Vol 18, No. 3: pp. 263-280

⁷³ Ibid, pp. 263-280

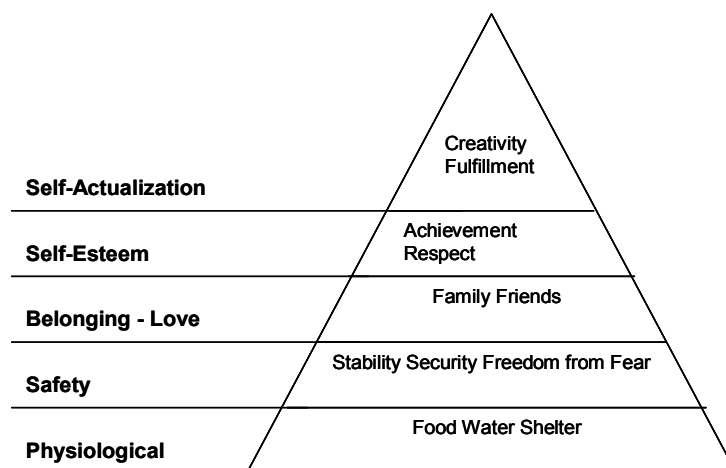
3.4.1.1 Personality-Based Views

Motivational factors are driven by individual characteristics as they affect the individual's choice of objectives. There are different types of motivational theories that take the personality-based view into consideration. One type considers how psychological motives affect behaviour and performance. This focuses on differences between people that determine the strength of each different aspect and how they affect work motivation. Another one is concerned with theories of individual personality. A good example of this is Abraham Maslow's hierarchy on needs.

Maslow's Hierarchy of Needs

Maslow's theory takes into consideration how individuals satisfy different needs in their work environment. Maslow argued that there is a broad outline of needs, appreciation and satisfaction that individuals follow, in a more or less similar pattern. The theory also presupposes that a person cannot pursue the next need in the hierarchy, before the current one is satisfied. The hierarchical theory is presented in the figure six. It is frequently demonstrated as a pyramid with the "lower" needs at the bottom. When climbing up towards the peak of the pyramid, one gets closer to the self-actualisation needs. Occasionally managers have used Maslow's pyramid as a sort of a guideline. The reason for this is that employees often find it difficult to express what they want from a job. Therefore, employers have begun to dismiss what employees say, instead they tell the employees what they want based on what majority of people would desire in that situation.⁷⁴

One can relate Maslow's theory to traditional and innovative motivational practices so that the higher one goes up in the pyramid the closer he/she gets to the innovative practices. Physiological and safety elements are more directly linked to basic issues such as having a job and getting financial compensation in return for the services provided at work. In contrast, self-esteem and self-actualisation are more related to work environment and the job itself.



⁷⁴ <http://pareonline.net/getvn.asp?v=5&n=11>, (2007-05-22, 11.30)

Figure 6 - Maslow's Hierarchy of Needs

3.4.1.2 Cognitive Choice / Decision Approaches

They highlight two determinants of choice and action, which are expectations and personal valuations of the consequences related with each choice. The aim of expectancy theories is to foresee person's choices or decisions. In the recent years wider expectancy theories have been formulated that integrate, besides the normal assumptions, individual differences in personality and other motivational processes, including self-regulation.⁷⁵

This type of theory is related to things that individuals appreciate. Those aspects can come from various issues, such as location, type of work, culture in the company or financial compensation. Such an issue can form a strong motivational attraction, and when correctly managed can be a huge asset for an organization to have.

3.4.1.3 Goal / Self-Regulation Perspectives

These perspectives are concerned with aspects that persuade an individual to strive for goals. Therefore, the attention is on the relationship between behaviour at work and objectives. The idea behind goal setting theories is that each individual's objectives are determinants for motivation, since those objectives guide how that individual behaves. In order to have a positive correlation between objectives and performance, an individual has to accept the assignment leading to that objective and feedback from performance. Studies have shown that there are few important things that decide the success of objective setting techniques. Those are task demands, orientation to the task and self-efficacy as well as commitment to the objective.⁷⁶

Assumption is made that this type of activity is mostly controlled by management since they are the ones that control what kind of objectives have to be met, even though they can be slightly influenced by a single employee. One can make the judgment that in general it is not the objective that motivates an employee but the rewards received when that objective is met. An example of this type of activity is the pay-for-performance, which is a classic traditional motivational tool.

3.4.3. Traditional Motivational Practices

Defining traditional motivational tools is difficult because of the different expectations that people have regarding for example the region, industry, position, job characteristics, and so on. However, a decision was made to consider the traditional motivational tools as, *the practices that are connected to the reward system such as promotion, pay-for-performance, holidays and personal achievement.*

In general, managers face challenging dilemmas when they try to find tools for motivating wider audiences. This is also a highly culturally dependent fact, since in some countries motivating is regarded plainly as being pay-for-performance, meaning

⁷⁵ Nicholson, N., Schuler, R., Van De Ven, A.H., Cooper, G. and Argyris, C., (1995), (Eds) Encyclopedic Dictionary of Organizational Behaviour, Blackwell Ltd, Oxford: pp. 330-339 In Wiley C., (1997), What motivates employees according to over 40 of motivation surveys, *International journal of manpower*, Vol 18, No. 3: pp. 263-280

⁷⁶ Ibid, pp. 263-280

that an individual is motivated according to his/her own contributions. This traditionally American view is not shared by some of the Western European nations. In a country such as Denmark motivation should be accustomed to team performances not individual efforts. This is even further drastic in the East. In Japan for example the purpose of motivation in general is not to fulfil individual's self-actualisation needs but to facilitate individual's efforts to work for the benefit of the organization.⁷⁷

Great effort has been put in trying to identify the reason why motivation is such a difficult concept to measure and evaluate. One reason for this is that besides being a highly dependent on culture, motivation is influenced by individuals living in that culture and their current life situation. Sometimes, certain motivational tools work for specific individuals but at times the same motivational factors may not function because of changed circumstances. Traditionally, financial rewards and holidays have been considered the main options on how to motivate employees. Some managers even think that using fear as a motivational tool facilitates in creating success. Other traditional conceptions about how to motivate employees include company car, sponsored gym card and feedback from management.

3.4.4. Innovative Motivational Practices

Sometimes, organizations provide for their employees incentives that are not financial benefits. According to Earle, these incentives are known as "Perks" and are used to strengthen the employees' quality of life by providing pleasure and relaxed time.⁷⁸ One of the best examples of a company operating like this is Google. They provide various activities from game rooms to massages or yoga to free lunch.⁷⁹ In Europe, a similar trend is developing. But not all the perks are perceived as important for the employees. The most valuable factors are those, which raise the employees' quality of life and make it easier. There are different kinds of incentives, notably activities related to health and stress relief such as already the mentioned yoga, massages or sport-centre or health clinic and structures related to the children such as on-site child-care.⁸⁰

Overall, motivating employees is a difficult task to take because in order for any motivational factor to accomplish its aim, it has to act as a motivational force for employees. A better individual motivation will hinder employees to take unnecessary sick leaves, which causes enormous expenditure for the company. In addition, motivation enhances individual's interest towards work, thus making it easier for companies to increase the retirement age. In general, improved motivational functions for the benefit of the current employees but it also generates attraction from potential employees. Traditional motivational practices have not always succeeded in fulfilling their tasks; therefore innovative measures have been developed. These innovative means can provide several benefits, including:

⁷⁷ Schneider, S.C. & Barsoux, J-L., (2003), *Managing Across Cultures*, Harlow; Prentice Hall, 2nd Edition: pp. 165-167

⁷⁸ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁷⁹ <http://www.google.com/intl/en/jobs/reasons.html>

⁸⁰ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

- Providing a solid base for the individual to stay productive the whole working day
- Enabling to cut expenses through reduced number of health insurance costs
- Attracting high potential employees
- Functioning as a part of the solution on how to increase the retirement age

Letting employees sleep during the day has been proven to improve employees daily work performance and it also generates health benefits. A study conducted in Greece demonstrated the benefits that taking a nap in the middle of the day has. It provides health benefits by reducing 37 percent of heart related sicknesses.⁸¹ If this kind of activity were allowed on a wider basis at the workplace, it would have strong implications on health insurance costs as well as on the possibility to increase the retirement age. This is an important subject especially in the Scandinavian countries, which in few years will most likely begin to suffer from a lack of workers.

On the whole, already mentioned perks, innovative methods and even traditional methods are developed in order to motivate people. To make them appreciate their job, their workplace and even to give more value to the employer. Thus, the aim is to make the employee more satisfied at work. The next passage will focus on the relationship of motivation and job satisfaction on a deeper level.

3.5. Job Satisfaction

Job satisfaction and organizational commitment are correlated. Dissatisfaction at work carries to less committed attitudes towards the organization and can lead to an emotional and mental withdrawal from it⁸².

Studies have shown that the physical workplace is ranked as the third factor which impacts on the job satisfaction of the employees. Dollars bring people in the door but they do not keep them in the company.⁸³ The workplace affects the attraction of talents and their decision whether to accept employment or not. The reason why work environment is also important is its ability to retain employees by providing them a stimulant and pleasant environment.⁸⁴ Job satisfaction is thus very important and is influenced by work itself, but also by the workplace. Multi-coloured, flexible and unconventional, innovative work environments are promoted in organizations because they carry and enhance creativity among the employees. Moreover, they are factors of motivation for the employees by the stimulation that they bring. The consequences can impact on the performances of the organization and on its competitiveness on the market.⁸⁵ So, these factors are not negligible for organization when thinking to retain

⁸¹ <http://news.bbc.co.uk/2/hi/health/6354855.stm>, (2007-04-15, 18.30)

⁸² Lok, P., Crawford J., (2004), The effect of organisational culture and Leadership style on job satisfaction and organisational commitment, In *Journal of Management Development*, Vol. 23, No 4: pp. 321-338.

⁸³ Duxbury L. Interview in *Ottawa Citizen* (10/17/2000), In Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁸⁴ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁸⁵ *Ibid*, pp. 244-257

talent and implement employees' job satisfaction and motivation. Thus, job satisfaction and motivation are linked with innovative work environment.

In addition, job satisfaction is related to the work-life balance. Indeed, companies with the highest rate of satisfaction among the employees are those where the professional and personal life is well balanced. This can be implemented by new ways to manage the company and the various perks quoted in the previous part.⁸⁶

Several factors can influence the work-life balance and impact on motivation and job satisfaction. The importance of stimulant and innovative workplace and the impact of some perks have already been discussed but there is another factor relating to the topic and expressed by Earle, namely flexibility.⁸⁷ It is also an important agent of motivation and satisfaction at work. The possibility to arrange ones own agenda and take into account personal life, e.g. children's school schedule. Occasionally individuals may receive these kinds of benefits but in order to get it they may have to lower their salary.

Flexibility is not always related to the time but can be linked to the place to work. The issue of workplace has been discussed before but the possibility to work from somewhere else, for example home or any other place can also be implemented in certain organisation and for various sorts of functions. This type of activity is called *teleworking*. The technological challenge that it might bring is nowadays not an issue. Thus, it brings a high amount of flexibility and independence for an employee. But this kind of flexibility and independence can affect organizations activities. Teleworking takes away some of the formal and informal communication at work.⁸⁸ This might lead to the fact that the knowledge that individuals have is not shared, thus decreasing the exchange of new ideas, face-to-face interaction, as well as exchange of opinions, therefore limiting the possibilities for employees to learn.⁸⁹ This personal development is highly valuable for employees and need to be taken into account when a company decides whether to apply teleworking. There is also a risk for the teleworker not to see the limit between personal and professional life, thus increasing the chance that the boarder between these two worlds disappears. Thus, even though innovative practices can increase employees' satisfaction and motivation they can also have some disadvantages when they are climaxed.

⁸⁶ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

⁸⁷ Ibid, pp. 244-257

⁸⁸ Ibid, pp. 244-257

⁸⁹ Ibid, pp. 244-257

4. CONCEPTUAL FRAMEWORK

The previous discussions about the various elements of the theoretical framework are important in the definition of our conceptual model. This chapter aims at presenting our own model, which is necessary in order to structure and conduct the empirical research.

4.1. Development of the Conceptual Framework

The conceptual framework developed in this chapter is based on several concepts introduced, defined and discussed in the previous chapter Theoretical Framework (3.). This model reflects our idea that work motivation and job satisfaction are influenced by various factors in a hierarchy of significance.

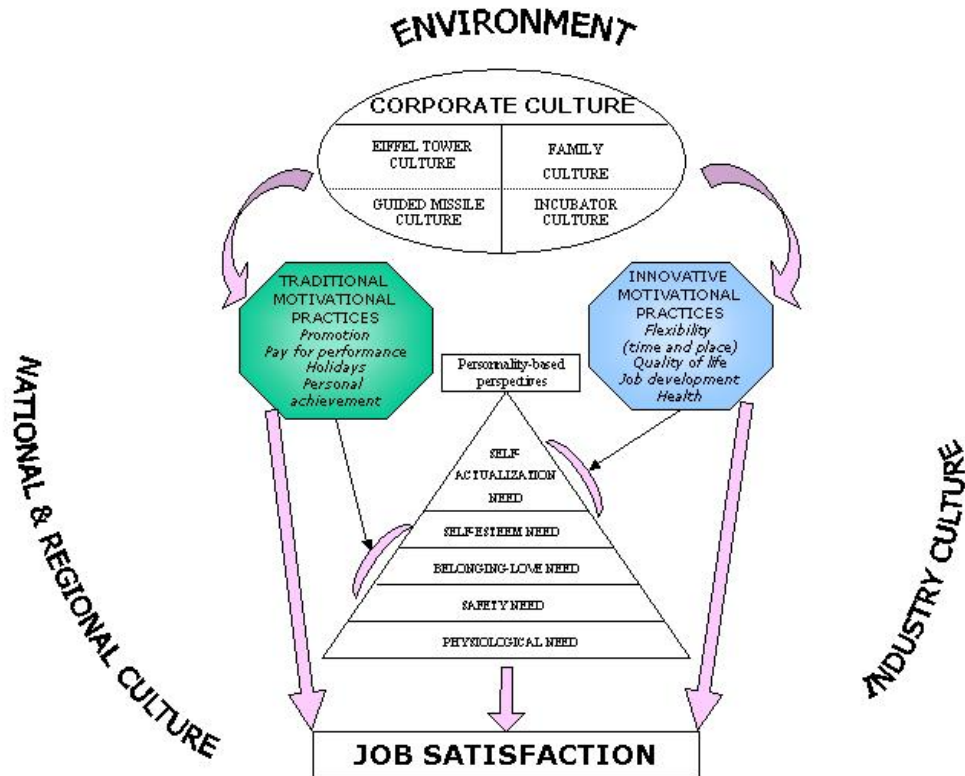


Figure 7 - Conceptual Model of the Influence of Corporate Culture on Motivation and Job Satisfaction

The framework is composed from six parts:

- Environment
- Corporate culture
- Work motivation
- Traditional motivational practices
- Innovative motivational practices
- Job satisfaction

The following passages will explain in a more detailed manner the necessity and the role of each part.

4.2. Environment

An assumption is made that the national, regional and industry culture are an aggregate, which directly influence corporate culture and in a more personal level individual's work motivation as well as job satisfaction.

4.2.1. National & Regional Culture

In the theoretical framework the manner in which national and regional culture impact an organization has been described. For this reason as well as for the fact that in the areas where this study has been conducted, regional cultures do not strongly differ from national culture, regional culture will not be taken into consideration in this thesis.

Based on Hofstede's analysis of national culture, it is expected that some factors such as *power distance, individualism or collectivism, femininity or masculinity, and uncertainty avoidance* will have an impact on our study.⁹⁰ Indeed, within the organization they can have particular effects on work motivation as well as on job satisfaction with the use of innovative and/or traditional motivational practices.

4.2.2. Industry Culture

Industry culture is an important part of the environment. Acknowledgement is made that each industry has developed its own culture, which is more or less easy to recognize, as described in the section about industry culture (3.2). The specificity of the IT industry culture lies in the importance of innovations. Therefore, assumption is made that in this type of culture innovativeness influences various levels of an organization, thus providing satisfaction for the employees.

4.3. Corporate Culture

Corporate culture plays a crucial role in the framework because it constitutes the key element of the thesis. The previously described environment influences corporate culture and every organization try to define its own culture in order to differentiate and employ it as a tool of attraction and retention of talent. In the section Definitions and Discussions (3.3.2), various types of corporate cultures are described, e.g. *Incubator, Family, Eiffel Tower* and *Guided Missile* and they are related to countries

⁹⁰ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 434-435

and particularly to Sweden and Finland because of the objective of this thesis. The aim is then to examine whether a particular type of corporate culture exists in the two studied IT organizations and whether these different cultures, connected to the national pattern, will influence the use of motivational practices.

4.4. Work Motivation

Our assumptions about work motivation are based on the previous theories developed in the Theoretical Framework (3.). As explained in the passage Motivational Theories (3.4.1), three perspectives to motivational theories have been selected for this study. We made the decision to concentrate on the Personality-Based views. The motive is that, from our point of view, the Cognitive Choice / Decision approach and the Goal / Self-regulation perspectives do not include all the various aspects of understanding and can bring sometimes more limits in the interpretation that can be made when analysing the motivation.

The Personality-Based views include the Maslow's hierarchy of needs theory. It is acknowledged by the researchers that this theory can be considered as incomplete by some other authors who detailed it. But we consider that Maslow's theory is relevant for our study and there is no need to have more detailed considerations. The physiological need, which is at the bottom of the pyramid figure six, is related to the need of having a job that facilitates access to food, water and shelter. The Safety need that is above the physiological one is connected to issues such as pay-for-performance and extra salary that represent a part of the traditional motivational tools, introduced in the same chapter (3.4.3). Safety needs are part of the traditional tools because they assure stability and security for individuals. The Belonging-love need is linked to the feeling of belonging to a group, which in regards to this study refers to a company or a team. This provides group motivation but at the same time, and maybe particularly, the possibility to be motivated by the balance between family and job, fulfilled by the possibility to have more holidays (3.4.3). The Self-esteem need can be satisfied through colleagues and managers' recognition. The possibility to receive a promotion is one way to fulfil this need and is one element of traditional motivational practices. Moreover, this need points out the transition from the traditional motivational practices to the innovative ones (3.4.4). Indeed, the fulfilment of Self-esteem need can be achieved by the possibility for the individuals to develop their own job and to organize it by themselves. Finally, the Self-actualisation need is also related to the innovative motivational tools such as the work environment, flexibility, health attention like the various perks presented in the chapter Innovative Motivational Tools (3.4.4). Thus, this perspective mixes traditional and innovative motivational practices. We can assume that this model is the most effective and efficient in order to motivate individuals because it includes all the needs of the individuals.

4.5. Job Satisfaction

From our model, a connection between the motivational tools and the various perspectives to job satisfaction is made. The idea develop within the study is that motivational practices lead to satisfaction at work. Assumption is made that traditional motivational practices are not enough to motivate people and make them satisfied with their job. Traditional practices should be used with innovative

motivational practices, thus generating higher satisfaction and better commitment to the organisation.

5. DATA COLLECTION

The procedure of collecting data is an essential phase in the work of the researchers. Empirical research can be defined as a “production and accumulation of evidence” to support the study findings⁹¹. In terms of the entire study, validity and reliability are considered to have a crucial role for an appropriate data collection process to occur.

5.1. Design Approach

The decision to select a specific type of survey design has various considerations. Each design style generates different kind of data and therefore a lot of thought has to be given to the issue. There exist various kinds of designs, such as cross-sectional, longitudinal, comparative design and for example case study.⁹²

The aim of this study was to gather profound information about the examined organizations’ culture and their motivational practices. Therefore, the chosen technique to do this had to be qualitative in nature. The manner in which data was collected was then qualitative interviews because it allows to a certain degree the data gathering process to be more flexible and profound.⁹³ As there was going to be more than one respondent, the conclusion was that the most suitable form for our qualitative study would be semi-structured interviews. An interview guide was then constructed that followed the principles of the semi-structured type and took into consideration all the theoretical backgrounds, which were created for this study. The semi-structured form facilitated the more systematic approach that needed to be taken, as well as the process of asking similar questions from each respondent, without damaging the possibility for elaboration. The semi-structured interview in general is formulated around certain topics, emphasis the fact that each question should be asked and similar wording should be used. The advantageous point in this type of questioning is that it allows the possibility to ask follow up questions as well as it keeps the order clear, as the questioning has to be conducted following the same sequence.⁹⁴

As the objective of this thesis is to do a comparison between two organizations, a comparative design was used as the research design. Comparative approach entails that one can better realize social occurrences when they are contrasted in relation for example two cases. This type of approach is apparent when doing a cross-cultural examination, as is the objective in this thesis. According to Bryman and Bell, cross-cultural research in general assumes that culture itself acts as a strong variable, applying deep influence on organizational behaviour.⁹⁵ One should not consider that cross-cultural research only involves the comparison of different nations. It can also compare layers beneath the national level, such as regional areas or persons’ backgrounds. This is a crucial point since this study aims at doing an examination at the organizational level.

⁹¹ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 140

⁹² Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: pp.

⁹³ Ibid, pp. 342-343

⁹⁴ Ibid, pp. 343-346

⁹⁵ Ibid, pp. 57

5.2. Selecting Respondents

Once the subject to study was clarified as well as the problem that exists in that particular area, the procedure to contact organizations began. Based on the pre-research an assumption was made that not all industries have adopted innovative motivational practices, at least not in such a large scale. Therefore, research was conducted to locate what type of industry is more towards these practices. After this process was done, it became clear that Information Technology industry is the most appropriate one. Through personal contacts, suggestions from our supervisor and research on the Internet we were able to locate organizations that shared similar characteristics in size, industry and purpose. Due to the desire of doing a cross cultural study there was a need to find an organization abroad.

In Sweden contact was first made with TietoEnator, Teknikhuset and WM-data. As these organizations did not have the interest or the time to participate in this study, SYSteam was contacted. Contradictory to the earlier responses, SYSteam was highly willing to take part. The process of contacting and communicating with the organization was relatively straightforward and swift. Due to time constraints this aided the phase of collecting data.

In Finland the process started by contacting companies called TietoEnator and Sesca. As neither of those contacts proved to be successful, Sasken Finland Oy was approached. The organization was immediately interested. The company was previously known as Botnia Hightech but has relatively recently been bought by an international organization called Sasken Communication Technologies. Thus, Sasken's Finnish subsidiary in Finland is called Sasken Finland Oy. It is a medium sized organization, with headquarters situated in Kaustinen, Finland. The fact that all the employees still have their Botnia Hightech e-mail addresses and their web page is called www.bothi.fi corresponds to the newness of the matter. On the other hand, if this study would have been conducted on a later time, the possibility that this buy out would have changed some of their corporate culture could have existed. This could have had the effect that different kind of data might have been collected

5.3. The Data Collection Approach

As mentioned in the research considerations chapter, a hermeneutic position has been adopted with an approach closer to the deduction than to the induction. Therefore, and due to the necessity of finding a good approach in adequacy with the research question, the choice of the study was qualitative in nature.

A direct way to collect data was used in this thesis. Everything possible was done in order to conduct the interviews in person but for reasons of time and costs, we had to organize one phone interview, which can be considered as an indirect collection of data. In general, *“the interactive nature of telephone conversations puts it somewhere between the direct and indirect approaches”*.⁹⁶

⁹⁶ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 146

5.4. The Sample

The selection of the sample is a key issue in management business research regardless of the perspective of the researchers, i.e. positivism or hermeneutics.⁹⁷

The sample is a set of individuals who provide the necessary evidence for the research study.⁹⁸ The selected sample comes from a larger group of people who are being studied. This group is the target population, which means that there are usually no significant differences between the target population and the sample.⁹⁹ Even though it is important to have a representative sample of the population, there still exists a problem of variability and particularly in qualitative study because the researchers are interviewing people and each person can feel or react to one single thing in various ways.¹⁰⁰

For the need of the study, a definition of the sampling frame has to be done. The sampling frame is “*a working definition of the population to be studied*”.¹⁰¹ Our first criterion was to find an IT company in Sweden and in Finland. In order to have the necessary outlook on the matter various perspectives are required, such as from managers and employees. Our objective was then to have a sample, which would be composed from two managers in each company and one employee. This diversity should provide us needed various perspectives that will lead to a better understanding of the managerial practices of motivation and their impact on the job satisfaction. The necessity to have managers and employees, is motivated by the different point of view that each of them have and the knowledge that various individuals have in different hierarchical position. The purpose of various perspectives is to bring a better understanding of the motivational management and its impact.

The approach to the sample creation uses a non-probability sample called the snowball sample. For hermeneutics, a non-probability sampling is generally based on “*some sort of subjective assessment of the sample*”.¹⁰² There is no use of a random selection method with this type of sample but on the contrary some part of population or particular individuals are more likely to be chosen than others.¹⁰³ There are several kinds of non-probability samples but the most appropriate for our study is the snowball sample because it is the most relevant in order to get access to the respondents. According to Remenyi, Williams, Money and Swartz, “*a snowball sample is one where the researcher uses an informant to help him or her to find the next informant. Thus the researcher asks the informant if she or he can introduce the researcher to another person or organisation who is in a position to provide the useful information or insights into the issues being researched.*”¹⁰⁴ The snowball sampling is generally used in qualitative research strategy because the sampling

⁹⁷ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p.192

⁹⁸ Ibid, p. 192

⁹⁹ Ibid, p. 192

¹⁰⁰ Ibid, p. 192

¹⁰¹ Ibid, p. 193

¹⁰² Ibid, p. 194

¹⁰³ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 93

¹⁰⁴ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 194

orientation is “*guided by the preference of a theoretical framework.*”¹⁰⁵ This approach focuses on sample that is relevant to get good information for our topic and to have an easier access to the respondent. When applying these methods to this thesis, the researchers have first decided to contact and interview the top manager of the companies and then asked them to guide the researchers to other managers and employees in their respective company in order to obtain the wanted sample.

5.5. Guide Design

The choice of the research design led us to prepare a guide in order to conduct the qualitative study. Semi-structured interviews were created in a form that the interviewer had to follow a script of question¹⁰⁶, so called guide. Indeed, according to Saunders, Lewis and Thornhill, “*in semi-structured interviews the researcher will have a list of themes and questions to be covered, although these may vary from interview to interview.*”¹⁰⁷ Therefore, a guide has been designed for the purpose of collecting the data in an appropriate method.

The construction of the guide needs to follow some simple considerations. First, the questions have to cover all the parts of the conceptual framework. But most probably the environment part will not be covered by questions, because of its general and unconscious nature on individuals. The guide has to follow a certain order that has been chosen from the order of the conceptual framework. However, during the interviews this order has been changed in order to have a logical flow and conversation that let us follow the thoughts of the respondents. The formulation and chosen order of the question were also considered as appropriate to help the researchers to answer the questions.¹⁰⁸ The language has also been carefully thought through with the idea that the questions should not have theoretical concepts in them. As indicated by Bryman and Bell, the researchers should “*try to use a language that is comprehensible and relevant to the people you [the researchers] are interviewing.*”¹⁰⁹ Then, the questions should not lead to any specific answer from the respondent. Finally, general information about the respondent should be asked with *background questions* such as name, age, gender, position in the organization, numbers of years employed, and so on.¹¹⁰

The specificity of the cross-cultural research implies for one of the researcher to adapt the guide in Finnish for the interviews that were lead in Finland. The choice not to conduct the interviews in English in Finland is due to the possibility to lead them in respondents’ mother tongue in this country, which is not possible in Sweden. The purpose is to avoid misunderstandings, reluctance to answer in English or loss of

¹⁰⁵ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 107

¹⁰⁶ Ibid, p. 344

¹⁰⁷ Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: p. 212

¹⁰⁸ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 349

¹⁰⁹ Ibid, p. 349

¹¹⁰ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 349; and Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 154

information because the respondent would have not known how to express him or herself and all his/her thoughts about our topic in a foreign language. These considerations have to be taken into account for the interviews in Sweden, which were conducted in English because the researchers could not lead them in Swedish.

Each interview has been recorded, transcribed and translated into English when it was necessary. In order to gather the interviewees' replies in a better format, they were summarised and the results are presented later in this thesis.

The choice of the questions is also important for this thesis. In qualitative research, Remenyi, Williams, Money and Swartz identified the importance of open-ended questions in opposition of closed-ended questions used in quantitative study. These kinds of questions do not pre-specify the responses and imply a narrative form for the answers.¹¹¹ Moreover, the use of open questions is known by the researchers to be a manner to avoid bias during the interview.¹¹² In addition of open questions, some probing questions have been intended. These questions are usually used when an explanation is needed because the researcher is not sure to understand the answer or when the answer need to be more explored because it is significant for the study.¹¹³ They could also be asked in order to precise and explain the answer to specific or closed question when the respondent did not mention opinion or information relevant for the study.¹¹⁴ The classification of the questions differs depending on the researcher. Bryman and Bell used Kvale's classification within there are nine types of questions. This more complex classification resumes the previous classifications and adds some other types of questions. For instance, they can be *introducing questions* on a theme, *follow-up questions* that gets the respondent to elaborate the answer thus given, *indirect questions* that are used to get the interviewee's opinion, *silence* that let the interviewee the possibility to develop the previous answer, etc.¹¹⁵

5.6. Bias

In the progression of this study two ways of conducting an interview was used. Most of the interviews were done in person but one of them had to be done through telephone, due to schedule and cost constraints. Both of these approaches to interviewing raise questions, in terms of their biases. In order to conduct an interview, the interviewer has to be fully familiar with the topic and the questions asked as well as well-informed about the company's and/or the situations context.¹¹⁶ The interview's semi-structured nature allows for the possibility for probing.¹¹⁷ This could not be done without sufficient knowledge about the matter. The interviews conducted in Finland were done in Finnish, thus there is a potential for bias but all necessary

¹¹¹ Remenyi, D. & Williams, B. & Money, A. & Swartz, E., (2002), *Doing research in Business and Management, An introduction to process and method*, London; Sage Publication: p. 152

¹¹² Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: p. 222

¹¹³ Ibid, p. 226

¹¹⁴ Ibid, p. 226

¹¹⁵ Kvale S., (1996), In Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 351

¹¹⁶ Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: p. 219

¹¹⁷ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p.343

actions were taken to decrease this bias. This meant for example, that the process of translating the questions from English to Finnish needed a lot of attention. Even though some issues in the language cannot be directly translated, they were interpreted with the best of our capabilities.

Through telephone the interviewee cannot visually see the interviewer, therefore the respondent's replies are not affected by the interviewer's characteristics. The interviewee may not also feel pressured by the interviewer's presence and reply in a desirable manner; therefore the use of telephone removes a source of bias. On the other hand, through telephone the interviewer is not able to see the respondent and their facial expressions as well as other movements that can actually tell the interviewer, much more than the words themselves.¹¹⁸

As one of the interviews was done through telephone and others in person, all the biases that exist in both of these approaches had to be taken into consideration. In addition, the fact that telephone interviewing was only used with the Finnish organization can increase the likeliness of biased data. All these aspects of interviewing were taken into consideration in the process of collecting data. There is not much that can be done in order to decrease the possibility of this type of incident to occur, with the exception of trying to behave in the most professional manner as possible, and conduct the interviews in a similar manner.

The last thing that possibly increases the likeliness of biased data to occur is the fact that the questions were sent to the companies before hand. This gives the respondents time to prepare, which they would not have if the questions were not given. On the other hand, the qualitative nature of our study aims at gathering profound information, thus the fact that the respondent had more time to analyse and prepare can be seen as a contributing factor.

5.7. Criticism of Primary Sources

One should critically analyse the empirical sources. As interviewing was used as the tool of collecting data, the insufficiencies that this approach brings, should not be forgotten. The fact that only a relatively short period of time is spent at each interview examination it might be difficult to comprehend what the actual situation at the company is.¹¹⁹ Therefore, in order to realize the actual corporate culture, the interview approach may not be the most suitable one. Although, a decision was made to conduct qualitative interviewing because of its relatively straightforward nature and the fact that it produces profound information in a somewhat swift manner.

The possibility that employees of the organization only say positive things about their organizations exists. This type of activity is unfortunate, since it creates biased information and does not allow the researchers to generate a correct image from the

¹¹⁸ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.:p. 120

¹¹⁹ Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: p. 218

organization.¹²⁰ This factor was in mind when the data collection process was in progress. Therefore both management and subordinates, which is the level underneath management, opinions were collected. This method and the fact that there was more than one interview in both companies should at least decrease the amount of biased information received.

5.8. Limitations to the Empirical Study

The empirical part of this thesis has been conducted in a manner so that minimal amount of opportunities for biases and variations would exist. Unfortunately this is not always achievable, especially with the time and possibilities available.

For the purpose of our study, the studied organization's Finnish and Swedish branches were only taken into consideration. In general, this kind of approach could have implications on the result of the study but in this study this will not be the case. This has been previously explained for the part of Saska Finland Oy and in regards to SYSteam, which is a Swedish company. We believe that their Umeå office has not been affected by the fact that the organization has expanded to other countries. Even though both of the organizations operate in the IT industry, they are not fully equivalent. Despite this fact we believe that the major possible variations that exist are not due to other elements besides cultural. Both companies also represent middle-sized organizations, thus removing one variable.

The empirical data was gathered through the use of telephone as well as personal interviews. This slight difference in the approach to the collection procedure can have minor implications but in general these possible alterations should not change the outcome of the process in a major manner. In terms of the persons to be interviewed, the plan was to have the individuals from both companies who are responsible for same issues. In this study those individuals would have been the CEOs, human resource manager and one employee. Unfortunately, due to issues that were out of our control, such as time and schedule aspects, the arrangement was not completely fulfilled. The interviewed individuals were then the chairman of the board, who is also the founder of the Finnish company, manager, CEO and two employees. Therefore, even though the individuals interviewed were in some way responsible for similar issues, their exact titles do not correspond to one another. In addition, regarding the Swedish organization, only two interviews were possible to conduct. On the other hand, a qualitative study is conducted, which aims at collecting profound information. This is accomplished with the amount of interviews conducted.

The last differentiating factor relating to the process of collecting data is the language employed in the interviews. All the interviews conducted in Finland were done in Finnish. Thus, some aspects of the language are not fully transferable. Nevertheless, the procedure of translating spoken Finnish language to written English was done according to the writers' best abilities. Opposite to this, the interviews conducted in Sweden were done in English.

¹²⁰ Saunders M. NK, Lewis P., Thornhill A., (1997), *Research Methods for Business Students*, Pitman Publishing, London: pp. 217-218

6. PRESENTATION OF THE EMPIRICAL DATA

This chapter aims at introducing the examined organizations and the gathered empirical data. The answers received in interviews are presented in summaries and they are divided into two categories, taking into consideration the respondents' level of employment, whereby managers and employees can be distinguished. Due to the nature of the questions, few are directed only to the manager(s) or to the employee. The obtained data will be presented in accordance with the conceptual framework.

6.1. Presentation of the Companies

Sasken Finland Oy (Kaustinen, Finland)

Sasken Finland Oy aims at being in the forefront in providing manufactured goods and solution designs for wireless appliances. Their services are promoted to organizations across the communications value chain. The organization believes that their in-depth management, flexible processes, agility and dynamic work culture works for the benefit of their customers.¹²¹

Sasken Finland Oy services are divided into two so-called tracks, which are hardware and software lines. Together these produce hardware, software and mechanical planning. Their offerings can be used in research and development schemes, subprojects, tester designs and cost reductions. Sasken promote their service by always being able to tailor them according to the customer's needs.¹²²

Sasken originates from Botnia Hightech, which was established in 1989. It has over 3,500 associates and 300 employees and they have four offices in Finland, which are situated in Tampere, Oulu, Turku and Kaustinen. The organizations headquarters are located in Kaustinen.¹²³ In the course of writing this thesis there was a doubt that the organization's original Finnish culture would not exist anymore because of the international nature of the Sasken. This uncertainty diminished when it was realized that any of the processes that actually could affect their original culture had not yet started.

SYSteam, (Umeå, Sweden)

SYSteam supplies IT based information systems for their customer's business developments. They have managed to gain a leading position in the market and they operate on a result-oriented, long-term work method, where they actively cooperate with their clients.¹²⁴

The company operates as a supplier and offers services in management, engineering, business arrangements, developments, integration and technical infrastructure and function. They also act as a supplier for small and medium-sized enterprises and as an expert to larger organizations as well as specific industries.¹²⁵

¹²¹ http://www.bothi.fi/web/company_profile.htm, (2007-04-28, 09.30)

¹²² <http://www.bothi.fi/web/>, (2007-04-28, 09.30)

¹²³ http://www.bothi.fi/web/company_profile.htm, (2007-04-28, 09.30)

¹²⁴ <http://www.system.se/default.aspx?id=1469>, (2007-05-05, 15.00)

¹²⁵ <http://www.system.se/templates/Page.aspx?id=1541>, (2007-05-05, 12.00)

SYSteam has over 50 offices around Finland, Denmark, Sweden and Norway and approximately 1030 employees. In Sweden they operate from 28 different locations and Umeå is one of these. In Sweden the company has about 1000 employees.

6.2. Interview with the Manager(s)

6.2.1. Corporate culture

- **Please describe the organization's corporate culture?**

Sasken Finland Oy

The managers of the organization think that the corporate culture is relaxed and family-oriented, which emphasizes unity among employees. They think that relaxing atmosphere dominates and employees do not have to take too much pressure from issues, which are not related to work. On the other hand, the managers emphasize that results are an important issue for the company and the employees are aware of this fact.

SYSteam

According to the interviewed manager, the corporate culture is composed from various little organizations that together create the SYSteam culture. Foremost, the corporate culture emphasises entrepreneurial behaviour. He believes that other factors highlighted in the culture are the freedom that the employees are able to enjoy from. Despite the freedom that exists in their work description, the employees know that they have various responsibilities. He believes that one of the main aspects of the corporate culture is to support and guide the employees in developing their own work activities and their individual development.

- **Has there been effort in order to create a motivating atmosphere?**

Sasken Finland Oy

According to the managers, the organization has so called development conversations twice a year, where employees are free to express their concerns about their motivation, jobs and the work environment. In addition, once a year the atmosphere of the company is measured, which also provides another mean to give suggestions. All the workers are free to say at any point in time if they experience any difficulties. Though, the managers feel that the problem that occasionally occurs is that employees do not know what motivates them. If this happens, the management level suggests motivational ways.

SYSteam

The manager argued that they are trying to create a motivating atmosphere. He outlines that the employees' freedom is very important in order to help them develop but also to develop the customers and the business. The choice of the customer and projects are important factors of motivation. The consultant has to spend a lot of time at the customer's office so they have to be motivated to work with them. Through their customers, they can find some ideas for their own and the organization development. These ideas are developed by the employees themselves and supported by the management team. If the management accepts the idea, the person, who had the idea will be responsible for its development in the organization. Therefore, the

employees are behaving as entrepreneur within the company. According to the manager, it is good for themselves, their jobs and the company and the customers. The management team tries to be aware to the employees' idea and to stimulate through workshop where they also include their customers.

According to the manager, they try to develop an open atmosphere where it is easy to work with each other and where freedom has a lot of place.

- **What kind of values does the corporate culture stand for?**

Sasken Finland Oy

According to the respondents, results are important but so are the values, which are supported by the community here in this region. Safe environment, with a mixture between manly and feminine values dominates, where one is able to satisfy ones own personal work needs and at the same time achieve results. There is also a strong belief that the values come from the employees' high quality performance as well as from the fact that the employees know the customers very well. The organization also has always emphasized the importance of service attitude, because customers are crucial for the success of our company.

SYSteam

The manager believes that the biggest values come from the three factors, which are entrepreneurial attitude, freedom and responsibility. The aim is that these values together strengthen the employees' willingness to develop the business and their own knowledge.

- **How do you think that the culture of your company influences employees' motivation?**

Sasken Finland Oy

The respondents believe that the company exists for the benefit of its employees. Employees are willing to push themselves for the company because they feel that they are working for their own paycheck but also for a greater cause, which is to keep the region lively through successful companies such as this one. Most of them were also tired of working in Helsinki for example, so they are grateful for this opportunity and this works as a motivating tool already. The managers believe the relaxing atmosphere strengthens the employees' motivation, since there is no demands for example to wear a dress or suit or any other similar demands that employees may have to face when working for another IT company, especially a global one. According to the managers, the organization itself is a quite typical Finnish organization medium sized, where down-to-earth type of atmosphere exists.

SYSteam

According to the manager, the culture has an impact on the employees. He mentions that there are various kinds of individuals at the organization. Therefore, the manner in which each individual is motivated is handled differently. He believes that some employees need more support and others are more self-motivated. The manager considers that the corporate culture aims at supporting those that need motivation and self-confidence

6.2.2. Work Motivation

- **How do you motivate your employees?**

Sasken Finland Oy

The respondents consider monetary rewards to be the most usual way of motivating. The company has different types of monetary rewards, such as basic salary and pay per performance. But in general the company tries to motivate their employees through the job itself. The possibility for a certain degree of flexibility in deciding what kind of work tasks to take and where to perform them is a motivational factor. Occasionally employees who have to go to business trips have been offered the possibility to take a person with them, free of charge. Employees have a sliding time schedule, which means that depending on their tasks they are occasionally able to work when they want and where they want. There are also no real dress codes. Suits are very uncommon and so are ties. There are certain gyms where employees have free access. The company sponsors free tickets to the swimming hall and free lunch coupons.

SYSteam

According to the manager, there are various ways how they seek to motivate their employees. The company aims at communicating with the employees in order to realize what the true motivating factors are. The salary is considered to be important but so is the freedom that exists. In addition, the organization has developed a bonus system, and several other kinds of so-called “small” motivational factors. Those include having breakfast together or providing fruit baskets at the office. The manager also believes that what has motivated their employees is their relatively recent move from rural area to the downtown district. Finally, he thinks it is important for the employees to have a stable job and a place to work in the office with good equipment.

- **Which of the motivational practices used meet most of the employees’ stimulation?**

Sasken Finland Oy

According to the managers, the employees do not know always know what motivates them. Employees usually think it is money but in fact it is the job itself. Employees are satisfied that they get free lunch coupons, free coffee, free access to the gyms but like mentioned the managers think that the most motivational tool is the possibility to choose, to a certain level, the work task undertaken and the flexibility to do them where the employee chooses.

SYSteam

The interviewed manager believes that the most motivating factor for their employees is the fact that they are able to develop themselves and the company. In addition, financial compensation motivates but not by itself.

6.2.3. Motivational Practices

- **Do you think there are any special motivational tools in the IT industry?**

Sasken Finland Oy

The managers have read about various motivational tools, sleeping at the office during the day, office gyms, company cars, and parking lot hockey games. But are not sure whether they are only used in the IT industry. They think that sometimes individuals who want to work in the IT industry are younger, so they draw their interests from other things besides money. But maybe it might not be so industry specific. It could more of a question of different values.

SYSteam

According to the manager, IT industry employs several kinds of motivational practices. For example Microsoft uses a variety of them and are very good in it. He thinks that when the organization is doing well, bonus salaries are used. In contrast, when the company is not doing well, other practices have been employed. For SYSteam, one of the motivational factors for the employees when the industry has to face some hard time is safety to have a job and not to close down any office. The safety of job is thus very important for the employees.

- **How do you think that a manager could improve employees' motivation?**

Sasken Finland Oy

Increasing communication between managers and employees could do this. Managers could be more aware of employees' motivational factors. But, in practice this is really difficult since most employees do not know what motivates them, thus they are not able to express to their superiors what they want. In general it is the job itself that we can try to further develop. The work that the employee is doing is motivating, so the employees can together with the managers add some dimensions to it. In most cases, the interest to work in the IT industry starts from a hobby, so it brings along difficulties for employers because they have to try and find different kinds of ways to motivate employees.

SYSteam

The manager considers that mutual communication and reflection with the employees is crucial. It is highly important to know what the employees need.

- **How could you define the behaviour of people in your organization? Would you consider them to have typical characteristics of the employees in the IT industry?**

Sasken Finland Oy

They are normal individuals who are interested in the IT industry. Most of them have worked somewhere else, particularly in the southern part of Finland and now because of the opportunity provided by this company they were able to move back home. The managers consider them to be average IT industry workers. In general, they are people who have high knowledge and skills in the IT industry.

SYSteam

According to the manager, there are different kinds of individuals working together at the office. The open culture that they have is due to this reason. In general, he thinks that in the IT industry there are individuals' who are very interested in the new technologies and innovation but there are also people with high amount of experience and knowledge about various products. These various personalities have a role to play in the company's success.

- **Do you have some general rules or practices given by the company in order to motivate people?**

Sasken Finland Oy

Same kinds of practices are in general used but exceptions are also made. Each employee is an individual with different kinds of needs and therefore those needs are respected. In general, the company is flexible in these things. This type of procedure has worked out fine so far, and as long individual requests stay in boundaries of common sense, they do not see any real reasons for changes.

SYSteam

The manager thinks that in general there are not various rules at the company. There is a lot of freedom but the rules that do exist relate mostly to the monetary bonus system and to the regular established meeting between the employees and the management team. For the rest, the employees are responsible for their work and the management of their time.

- **Can you describe the company's work environment and do you think it influences employees' motivation?**

Sasken Finland Oy

The office is constructed in way that there are different kinds of workspaces. Open offices and closed ones, depending a lot on the individual. Employees who spend a lot of time in the phone or meeting customers want closed offices and some just like to work alone, which of course restricts innovation but the company tries to provide what the employee want in order to keep them satisfied. Some workspaces are restricted with low walls but it is still quite open and encourages the change of ideas. The organization would like to have a really open office, which would truly emphasize innovation but sometimes individuals do not want such a place so we basically follow their wishes.

The managers believe that the design as well as the interior in the office has been done in co-operation with a consult that knows about these issues. Things such as corporate identity, brand knowledge and the general affect that different colours and design have on employees have been carefully planned. The respondents think that the more relaxing atmosphere facilitates concentrating on the work itself. There is an effort on fulfilling each employee's personal needs when it comes to their workspace. Without these issues employees' motivation could suffer.

SYSteam

According to the manager, each employee has his or her own well-equipped workstation, which is vital in order for the employee to be able to feel comfortable. The move from rural area to downtown, taken place three years ago has made it easier for employees to travel to work, whatever their transportation way. It has also facilitated communication between the customers due to their geographical closeness.

The manager recognises the impact that work environment has on the employees' motivation. When they relocated themselves, a decision was made to have a desk for every employee even though they spend just one or two days per week at the office and the rest of the time at the customers' office where they usually do not have allocated comfortable workstation. So it is important when they come to work at the office that they find their own comfortable and well-equipped desks in a pleasant office

- **Are you aware of some motivational practices that are not used in your company and that you would like to use?**

Sasken Finland Oy

There are various ways in which one could try to motivate employees but basically the ones the company has at the moment seem to work. As mentioned, employees are free to suggest anything and then a decision whether it is something that is doable or not is made but so far nothing like that has come up. Discussion about the possibility of having a nap in the middle of the day have been conducted but as employees are free to eat and work home, they can take their naps there, so this is something that there is no need to say out loud.

SYSteam

The manager is aware of various practices but does not think that they are relevant for their organization.

6.2.4. Job Satisfaction

- **Do you think that your employees are satisfied?**

Sasken Finland Oy

According to the managers, the employees are satisfied. Currently there are open positions at the job market but no employee has decided to leave. The managers believe that this is a positive signal and implies that the employees are satisfied.

SYSteam

The manager finally thinks that the employees are satisfied in general. There is a survey once a year where they analyse the employees' satisfaction in every area from management, to motivation, and the satisfaction with the customers. And it is important to know how the employees can develop themselves.

6.3. Interview with the Employee

6.3.1. Corporate culture

- **Please describe the organization's corporate culture?**

Sasken Finland Oy

According to the employee, the corporate culture in the company is a mixture of a stress-free environment where the emphasis is on hard work. Employees do not have to think about anything else than their job but they do not have to take it too seriously. There's a certain openness that dominates the culture.

SYSteam

According to the employee, the corporate culture that they have is a mixture of the culture that the old organization had, which existed before SYSteam bought it, and the culture that SYSteam has. Few differences exist but he was not able to name them. According to him, SYSteam's corporate culture is strongly influenced by an entrepreneurial spirit.

- **Has there been effort in order to create a motivating atmosphere for employees?**

Sasken Finland Oy

He thinks that there has been an effort to try to get the employees trusts their superiors and vice versa. Employees also have conversations with their superiors about the possibilities to further their career.

SYSteam

He does not think that the organization has greatly put effort on this. There have been several conversations about culture but in reality not much has been done about it. Once a year the all the employees go to Jonköping, Sweden, where there is a company festivity for all SYSteam employees but that is about it.

- **What kind of values does the corporate culture stand for and how are they promoted?**

Sasken Finland Oy

The respondent thinks that the values that it stands for are respect, honesty and openness, the same ones that Finnish people appreciate. It is also important to have a safe place where to work. In order to be a striving organization, results are also important.

SYSteam

He thinks that the organization takes care of its employees by providing various incentives. All the employees have responsibilities, which need to be taken care of but on the other hand there exists a lot of freedom at work. They also want to develop the entrepreneurial capabilities of each employee even though the employees found that in can appear to be strange because if they were entrepreneurs, they would develop their own business.

- **How does corporate culture affect your motivation?**

Sasken Finland Oy

According to the employee, the fact that employees only have to worry about the job itself and nothing more is motivating. The culture creates a challenging and interesting work environment.

SYSteam

The employee considers that the fact that every employee is well taken care of motivates the employee. The company provides free training cards for gyms and special health care plans.

6.3.2. Work Motivation

- **How are you motivated? Can you affect the manner in which you are motivated?**

Sasken Finland Oy

According to the employee, the certain amount of freedom that the employees have is motivating. According to the employee, one is also able to develop own knowledge through various ways, such as training and seminars. The possibility to develop the job as well is highly motivating. The comprehensive health benefits we receive are a good thing as well and so are the possibilities to exercise, which have been organized by the company.

SYSteam

He employee thinks that he is mostly motivated through the freedom he has in his work. He has certain amount of hours, which he has to work during the week but it does not really matter when he does them. In addition, financial compensation slightly affects the manner in which he is motivated.

- **How could management increase your motivation?**

Sasken Finland Oy

The respondent thins that by providing a better salary his motivation would increase. The opportunity to have manager level training would increase motivation. The organization is in the middle of developing better motivational tools.

SYSteam

The employee is not sure what actions the management could take in order to increase his motivation.

- **How does the work environment affect your motivation? Does the design of the workspace affect your motivation?**

Sasken Finland Oy

It does have a surprisingly strong affect. The office spaces are very well lit, which has a positive effect, especially as the winters here are so dark. The lighting used as well as the comfortable, pleasant and one could even say funny way of designing the offices stimulate.

SYSteam

According to the employee, he does not see the need to be highly inspired at work. He mainly operates with computers, thus he does not want to be distracted for example by bright lights or fancy decorating at the office.

6.3.3. Motivational Practices

- **Are there any specific motivational tools in the IT industry, which differ from other industries?**

Sasken Finland Oy

Based on the time the employee has spent in the IT industry, she was not able to recognize real major differences. The employee thinks that this could be due to the fact that the things that motivate her do not come from any special factors, other than money and training. The employee has a comprehension that other companies in the IT industries have used for example office gyms but is not sure whether that it is industry specific. Perhaps, the freedom that some employees can have in the IT industry is one, kind of specific motivational tool.

SYSteam

The employee was not able to mention any motivational tools that would be specific for the IT industry.

- **Are you aware of motivational tools that are not used in your organization but you would be willing to try?**

Sasken Finland Oy

Her motivation comes from the salary, management training and the independence provided from the job. The employee would try if they would install office gym at the office but is not sure whether it would increase motivation to work. Mostly because the other places where she can exercise are so close to the office and home. She thinks that the opportunity to have more free holidays could be stimulating.

SYSteam

The employee is not aware of any explicit motivational tool that would exist and he would be willing to try. He mentions that maybe due to this current life situation and the characteristics of his work, he does not see the necessity for such motivational tools.

- **Can you describe the office environment?**

Sasken Finland Oy

The respondent thinks that there are a lot of different kinds of workspaces and all the fixtures are very new. Thus, the employee thinks that it is quite nice to work there because the company has invested in the work environment. The fact that there is a lot of light is also very positive. Perhaps one of the reasons why the atmosphere at the company is so open is that the workspaces, in most cases, are quite open. This makes it easy to have conversations with people.

SYSteam

According to the employee, the office environment consists from a lot of open spaces, which facilitates the change of ideas and overall communication.

- **How could you define the behaviours of people in your organization? Would you consider them to have typical characteristics of the employees in the IT-industry?**

Sasken Finland Oy

She has some difficulties to judge whether the other employees are typical IT industry employees, at least based on her experience. According to the employee, people at the office are honest and direct. One can sense that an atmosphere where colleagues are respected is strong

SYSteam

He thinks that certain type of openness exists in the company. Employees are not afraid to talk to their colleagues and/or to their superiors. This might not be the case with other organizations in the IT industry. According to him, this behaviour could be somewhat related to the Swedish mentality but is not convinced whether it has anything to do with the IT industry

6.3.4. Job Satisfaction

- **Are you satisfied with your job?**

Sasken Finland Oy

The respondent thinks that the independent job brings a lot of satisfaction. There is a good work atmosphere at the company. The development conversations that are conducted with managers provide a positive way to express my feelings and worries. The biggest negative aspect is the salary.

SYSteam

The employee thinks that one can never be fully satisfied. If one would be, he/she would not be able to perform in the needed manner anymore. On the other hand, he is satisfied with his job. He believes that at the moment it could be relatively easy for him to change jobs, but he does not see any reason to do so.

7. ANALYSIS

The purpose of this chapter is to analyse the empirical data gathered from the studied organizations. These findings will be analysed and presented in accordance with the theoretical framework. The objective is to demonstrate the differences and the similarities between the Finnish and Swedish organizations as well as base the findings to the theories.

7.1. Overview

Even though the purpose of this chapter is relatively straightforward, testing the empirical data against the gathered theories, the actual process of doing so is not. Motivation and culture are not simple issues to examine and testing theories against situations occurring in practice is even more complicated. Regardless, this analysis will deal with the matters with an objective of taking the previously mentioned issues into consideration while providing a scientific sound analysis.

7.2. Saska Finland Oy

7.2.1. Environment

Even though various conclusions can be made from the empirical data, their accordance with the employed Hofstede's theory is not easily matched. In general, national culture has a significant role in influencing corporate culture but based on Hofstede's dimensions, presented in the chapter National Culture in Organisation (3.1.2), the influence is not effortlessly analysed. Despite these complications, certain patterns that are in accordance with Geert Hofstede's description of Finnish culture can be found.¹²⁶

The Finnish organization stresses the fact that they have a relaxed atmosphere, which is strongly influenced by its structure. Indeed, the managers specify in the interviews that "*the organisational structure is very low*", which means that the organisation has a horizontal hierarchical structure. The fact that the employees are in a position to speak freely and can enjoy an "*easy-going mentality*" further strengthens this issue. The efforts made on improving the communication between employees and managers facilitate their relationships and correspond to the Finnish *low power distance* culture.¹²⁷ This *low power distance* is used in order to better understand the needs of the employees regarding their motivation. This should facilitate the development of practices or structures with the aim of improving employees' motivation.

All the interviewed individuals mentioned that the organization provides a working environment where the workers "*only have to worry about the job itself and nothing more*", and that there exists a good team spirit among the employees, stressing the family-oriented culture that the company has. This type of activity is in accordance with *collectivism*.¹²⁸ The employees appear to have a high level of commitment

¹²⁶ http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

¹²⁷ Ibid

¹²⁸ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 434-435

towards each other as well towards the company and vice versa. In consideration with Hofstede's description of Finnish culture this is quite opposite, since the Finnish mentality is more towards *individualism*.¹²⁹ However, many of the employees frequently operate alone and as the CEO specified "*The corporate culture emphasizes employees' individual role and knowledge*" and the freedom that each individual has. These elements point out the *individualism* that usually occurs in Finland as pointed out by Geert Hofstede. Thus, the corporate culture of Saska Finland Oy is a mix of *collectivism* and *individualism*. The company supports the *collectivism* in order to stimulate the relationship between people and creativity, as mentioned when work environment was discussed. On the other hand, the *individualism* is also held in order to respect each individual's needs that form the roots for their motivation, since it affects peoples' own development. However, one has to keep in mind that when comparing organizations committed and motivated employees against a nation's individuals is not a straightforward matter and can produce biased results.

According to the conducted interviews, the values that the organization has are a mix of feminine and masculine values. A strong focus is on results, which implicates a certain level of *masculinity*.¹³⁰ On the other hand, the organization stresses their family-culture, and good quality of life, emphasising good work environment and the location. In addition, personal relationships that are more related to *femininity* are emphasised.¹³¹ Additionally, the company has provided its employees the opportunity to have a sliding work schedule and possibilities for recreation, for example free access to local gyms. These previously mentioned aspects correlate to feminine values. To some extent this appears to be in relation with the Finnish national culture, since it is regarded as being feminine at 80 percent and masculine at 20 percent.

The last Hofstede's dimension that will be examined in relation with Saska Finland Oy is *uncertainty avoidance*. In Finland, *uncertainty avoidance* is fairly high, over 60 percent.¹³² In regards with the examined organization, this matter is not a straightforward one. The organization has developed relatively clear work descriptions which to follow. This removes some of the opportunities for uncertain situations to arise. Conversely, each employee has a sliding work schedule, is relatively free to operate from where they want to and is able to develop their own work tasks. Therefore, decreasing the amount of rules and guidelines. These issues may cause more uncertainty, which are against the general trend that exists in Finland. However, the employees' flexibility should contribute positively in case an uncertain and unpredicted event should occur.

7.2.2. Corporate Culture

As mentioned, the organization appears to have a relaxed culture, which is dominated by family-oriented values and a strong "*we spirit*". The phrase "this is the way we do things around here" has been adopted and utilized in a suitable manner for the benefit of the employees as well as for the entire organization. The "*we spirit*" has been created in order to facilitate the employees' responsibility of getting results. Overall,

¹²⁹ Ibid, pp. 434-435 and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

¹³⁰ Ibid, pp. 435

¹³¹ Ibid, pp. 435 and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

¹³² Ibid, pp. 435 and http://www.geert-hofstede.com/hofstede_finland.shtml, (2007-03-15, 16.00)

the importance of producing results was highlighted as being as essential as functioning as a well operating unit.

The manner in which the organization has been able to keep its culture as results-oriented, without damaging the spirit and creating an office environment that is highly stress free has occurred by influencing each employee's job description. Employees of the organization "*do not have to think about anything else than their job*" and their professional issues. They do not have any responsibilities outside their work tasks.

Despite the organization's success on the national and on the international market, members of the organization that took part in this study seemed to be humble and respectful in their work. In addition, this same characteristic was covered when the individuals spoke about their colleagues. This could be largely due to the Finnish mentality, which is that individuals' are usually shy and modest about success. This factor is further strengthened by the fact that the company lies in a small village, where trust and benevolent behaviour is even more apparent. The organization also operates on a more horizontal system¹³³, which is relatively evident on other Finnish medium sized organizations as well. At least based on the experiences the writers have. The type of ideology where organization's individuals are treated more or less on similar manner, regardless of their position, brings along cohesion.

In the theoretical chapter (3.3.2), cohesion was a concept referred to. In this organization, it greatly influences the corporate culture. As one can understand from the previous comments, friendship that the individuals in the company share generates the safe environment, which the individuals are pleased with. Moreover, most of the values promoted by the corporate culture such as, "*safety*", "*profit-orientation*" etc. are well understood and shared by the employees. Thus, the fact that there is no gap between the corporate culture and the expectations of the employees, who internalise its values and beliefs, increase cohesion. The company has succeeded in the creation of a pleasant workplace, where friendship has a large role. This develops a sense of belonging and emphasizes hospitality, and intimacy at the work place.¹³⁴ For this reason it is easier to understand the ability of the company to retain its employees, who show a good level of satisfaction for their job and a high motivation for their work.

The interviewed members of the company often referred to their family-oriented structure. "*Family*", "*friends*", "*we spirit*", "*Employees do not have to think about anything else than their job*", "*relaxing atmosphere*" and "*easy-going mentality*" are often mentioned in the interviews and are also some examples of the characteristics that Trompenaars and Hampden-Turner's conception of *Family culture* has.¹³⁵ *Family culture* is characterized by strong relationships among people, which is mostly the case in this organization. The individuals are close to each other and have developed personal relationships like friendship. The "*good atmosphere*" that exists within the

¹³³ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: p. 157

¹³⁴ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

¹³⁵ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 158-166

company reflects these family and friendly aspects. Moreover, the organization has tried to develop close relationships between managers and employees by emphasizing communications. This occurs through formal “*meeting twice a year*”, and informal “*freedom to speak*” ways. In general, the managers are in a better position to understand the employees’ needs and desires and particularly their motivational considerations. They get access to a lot of information about operational tasks and management practices, thus they are in an upwards process. Communication between managers and employees also develop “*trust*” that exists between both sides. Trust towards managers is seen as a motivational factor by the interviewed employee, and is enhanced by the orientation towards family culture, which can have an important impact in the employees’ commitment.¹³⁶ In general, employees who trust their managers are able to follow their orientation and assist the company in a more efficient manner. As mentioned in the interviews, “*Employees do not have to think about anything else than their job*”. One example of this is the fact that the company provides various services related to health or nutrition that allow the employees to be more carefree.

However, the organization’s corporate culture is not only family-oriented but also mixed with the *Guided-Missile*. Indeed, the use of “*monetary rewards*”, such as pay-for-performance and the importance of the job as a motivational factor, which translates the occurring task-orientation, are particular considerations highly connected to this type of corporate culture. Trompenaars and Hampden-Turner describe the family culture with a strong hierarchy with the top-manager functioning as a *father*.¹³⁷ These characteristics do not exist in the Finnish company. They have a “*low structure*” where hierarchy does not really exist and power-distance is very low. Equality among employees is promoted even though it is necessary sometimes to have exceptions, in order to get the best out of the employees.

This mix of corporate cultures is well known in the research area and has already been mentioned in the chapter 3.3.2. This particular mix of *Family* and *Guided-Missile culture* seems to answer the employees’ needs. The promoted culture is well accepted in the company and fit with the reality. The employees have a true view of the corporate culture and are satisfied with it. The culture is then a factor of motivation. It provides “*a challenging and interesting work environment*”. As mentioned in the chapter 3.3.2, corporate culture is motivating when it is able to develop a dynamic and challenging environment.

But when comparing Trompenaars and Hampden-Turner’s model to these findings, one can point out a strong difference against the Finnish culture type. According to their model shown in the Figure five, the Finnish corporate culture used to be classified as *Guided Missile*, mixed with the *Eiffel-Tower culture*. After the analysis, the position will change because it describes the actual characteristics of the organization, which are based on the empirical data. Three explanations can be developed in order to better understand these variations. First, Trompenaars and Hampden-Turner’s model shows the general position of the entire country. Thus, one should remember that there exist exceptions inside a nation, which do not share these

¹³⁶ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 158-166

¹³⁷ *Ibid*, pp. 158-166

similar characteristics. There is also the possibility that developments have occurred as this study was in progress. Finally, the differences can also come from cultural developments. Trompenaars and Hampden-Turner's model was created in 1997.

7.2.3. Motivation and Motivational Tools

The organization employs various motivational tools, despite the fact that the managers believe that employees mostly appreciate financial rewards, such as basic salary and pay-for-performance. If this is not totally incorrect, according to the reply received from the interviewed employee where she mentioned the salary as a motivational tool, this is actually not the only and most important motivational factor for her. Indeed, she acknowledges that her motivation mostly comes from the independent nature of her work and the freedom she enjoys from. This is in accordance with what the managers themselves think: *"most of the motivation comes from the job itself"*. Moreover, the employee gives a lot of importance to the personal development such as training and seminars. This particular aspect is totally forgotten by the managers who gives more importance to free perks such as "free coffee" "free lunch voucher" and so on. Thus, there seems to be a slight gap in understanding what really motivates employees.

When analysing motivation, one can identify a personality-based approach. Various practices can be recognized in this company and they answer to various needs. In reference to Maslow's model¹³⁸, one can identify the needs fulfilled by various motivational tools. We do not analyse the physiological need because we assume that it comes automatically when a person has a job, therefore the other needs are more relevant for the analysis. The *"monetary rewards"*, which are often mentioned in the interviews, fulfil the safety needs. This motivational tool is identified as traditional insofar as it is used since the salary exists. Its importance comes from its capacity to assure a certain level of security and stability in the life of the beneficiary. The second need, so called belonging-love need, is related to an individual's existence and membership in the company, the existing *"we spirit"*. The group thus shares common values and develops specific relations such as friendships. The possibility to live in a region where people have their roots is also a fulfilment of this need. Indeed, individuals are able to find a balance between personal and professional life and thus fulfil their need, in each aspect of their life. The Self-esteem need can be fulfilled with the reward system. In addition, the employee mentions the *"career development"*, which is not recognized by the manager. This factor can be or become very important for the individuals'. From a broad perspective it is common that individuals want to develop their career and have more responsibilities, thus emphasising their Self-esteem need. Moreover, they have the possibility to fulfil that need through job development. Before developing their career, *"the possibility to develop [her] own job [...] is highly motivating"* and can thus develop their work and to choose which task should be done and when. This process is relatively new in motivational management but is highly appreciated by the employees who can organise their job and possibly have more freedom. The last level of need is the Self-actualisation. According to the respondents, work environment and flexibility are two elements that appear to be really important for motivation. The employee specifies that the work environment *"have a surprisingly strong affect on [her]"* and on her motivation.

¹³⁸ <http://pareonline.net/getvn.asp?v=5&n=11>, (2007-05-22, 11.30)

The Finnish company uses both types of motivational practices. The traditional practices belong to the reward system. For instance, if an employee works well he/she receives a better financial compensation. But the innovative practices are also used as tools of strengthening motivation, practices that should stimulate motivation within individuals.

On the one hand, the organization uses a variety of innovative practices, as defined by the writers. Those include “*no dress codes*”, which means that ties and suits are very uncommon at the office. The company has also employed a highly flexible working schedule and has not limited, at least in a very serious manner, the place where employees have to work. The flexibility at work and the work environment are usually appreciated and motivating for the employees.¹³⁹ On the other hand, the organization has not offered any other places for the employees to work besides their workstation. Nevertheless, this does not imply that employees were not allowed to work from home. The colours and design of the office have also been given consideration through hiring a consult with the objective of creating an attractive and stimulating working environment. The benefits that some of these issues bring have been acknowledged by the employee since she appreciates the quality of life that they offer. In general “perks”¹⁴⁰ such, as these are very important components even though they are not easily identified as motivational stimulants.

7.2.4. Job Satisfaction

From the managerial point of view, most of the employees are satisfied with their job. They give several reasons for that. The first factor of satisfaction is the benefit of being in a region where most of the employees have their familial roots. This satisfaction can be linked with the work-life balance factor expressed in the Job Satisfaction (3.5) passage. Indeed, many people had to leave the region where they grew up and had their family and friends in order to study and/or work. Therefore, the possibility to come back to this region in order to work is understood by the managers as being a real factor of satisfaction because they can find the balance between their personal life and professional life more easily. This balance is further strengthened through existing work flexibility, for instance the possibility to work from home.¹⁴¹ Indeed, in the IT industry *teleworking* can be an appropriate method of working, especially for those jobs or tasks, which do not need physical interaction between individuals.

In terms of teleworking, the technological challenge that it has is not a problem in this industry and therefore skills and knowledge can be used to generate productivity wherever employees are. “*The freedom in their work behaviour*” is recognized by the managers and appreciated by the employees who are “*satisfied with their independent job*”. The possibility to organize their own schedule, to choose which task should be done and when and to have a certain freedom about the dress code is positively felt and bring a certain amount of satisfaction among the employees. Thus, the flexibility and independency that it provides is highly motivating and satisfying for the

¹³⁹ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

¹⁴⁰ Ibid, pp. 244-257

¹⁴¹ Ibid, pp. 244-257

employees. The managers believe that some free perks such as free lunch or coffee also lead into the employee's satisfaction, despite the fact that the interviewed employee does not mention them. Most likely this means that without being a strong factor of satisfaction, it is however a small factor just not easily recognized. But the lack of them could lead to a decrease of satisfaction.

However, the employees are not fully satisfied. The salaries seem to be a factor of dissatisfaction from the employees' point of view. This is contrasted with the manager's point of view, which is that salaries are at a good level. The managers argue that in this industry it is easy for an employee to switch companies, thus salaries need to be in a competitive level. Two reasons may explain the contradiction of viewpoints. Foremost, one may never be satisfied in regards to salary. In addition, the salary may be perceived as low but other factors like the work environment and the geographical location might be stronger retention factors than the salary.

7.3. SYSteam

7.3.1. Environment

The organisation has a horizontal hierarchy. According to the interviewed manager, the individuals at the organisation belong to two categories. Individuals at the lower level are consultants and engineers and the upper level consists from the managers. Some of the responsibilities that individuals have are also widely shared. For example, all the individuals at the management level are responsible for motivating their subordinates. In general, this type of cultural behaviour corresponds to the argument made by Geert Hofstede's, in his study of cultural dimensions, that Sweden has a *low power distance*. This is further emphasized by the fact that all the employees at the organization are in a position where they can express their opinions freely, regardless of their position or title. The employees also adjust their job descriptions according to the need. For example regular consultant can act as a project leader, depending on the situation. This increases the fact that power is distributed more equally, therefore contributing to the overall *low power distance* that exists in the organization.

According to the same study conducted by Geert Hofstede's, Sweden has high *individualism*.¹⁴² The percentage is almost 70 percent. If one neglects the fact that there are different kinds of work descriptions that demand different kind of behaviour, Sweden's high individualism corresponds to the individualistic work nature that the employees at SYSteam have. According to the manager, employees "*spend just one or two days per week at the office and the rest of the time at the customers' offices*". Therefore, one can easily understand the reason why the employees' work is individualistic in nature. In addition, Hofstede's description of individualism versus collectivism also refers to the manner in which individuals feel that they belong to a group¹⁴³. This more collectivistic aspect can be noticed at SYSteam, from the comment made by the interviewed employee. He says that the fact that "*every*

¹⁴² Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 434-435; and http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00)

¹⁴³ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00)

employee is well taken care of motivates the employee". This may imply that the employee has some form of loyalty to the organisation.

According to Geert Hofstede, *feminine* values are highly present in the Swedish culture¹⁴⁴. As the previous point made indicated, the individuals at the organization feel that they are well taken care of. Consequently, this refers more towards feminine values. The company also provides special health care and "*own comfortable and well-equipped desks in a pleasant office*", which also indicate more towards feminine ideals.

The last analysed dimension employed by Hofstede in his study of cultural dimensions is *uncertainty avoidance*.¹⁴⁵ It is relatively low in Sweden, referring to the fact that in Sweden people are able to feel comfortable in unstructured situations. Unstructured situations in general refer to occurrences that are novel and different from the usual.¹⁴⁶ As the work environment can be defined as highly free in nature, it increases the changes of employees getting into uncertain situations. This likeliness is not considered to be a threat by Swedish individuals according to Hofstede. Furthermore, the organisation would most likely not have this type of work descriptions for their employees if they would have high uncertainty avoidance. Therefore, one can justify that in regards with this dimension the behaviour of SYSteam employees is in accordance with Hofstede's findings.

7.3.2. Corporate Culture

Three main issues dominate the organization's corporate culture. They are the responsibility that all the employees have, the freedom that they enjoy in their work and the entrepreneurship attitude that exists.

All the individuals in the company are expected to perform in a good manner, thus each of them have a responsibility to achieve. The fact that they have a lot of freedom is counterbalanced with this relatively result-oriented attitude. Responsibilities that the employees have include the ability to generate workable business ideas. In practical terms, this denotes that employees are expected to develop ideas with their customers and/or with their colleagues, which benefit the employee itself and the organization by widening as well as improving the company's operations. This process of working especially with the customers is very important part of motivation. The reason for this is that the employees spend considerable time with the customers; therefore employees have to be motivated to work with them.

Even though a lot of time is spent outside the office, the atmosphere that exists inside the company is important because it facilitates cooperation between the employees. The atmosphere plays a key role in providing the freedom that the employees are able to enjoy from as well as the entrepreneurial approach.

¹⁴⁴ Hofstede, G., (1993), *Cultural constraints in Management Theories*, In Steers, R.M., Porter, L.W., Bigley, G.A. *Motivation and leadership at work*, McGraw-Hill Series in Management: pp. 435; and http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00)

¹⁴⁵ Ibid

¹⁴⁶ http://www.geert-hofstede.com/hofstede_sweden.shtml, (2007-03-15, 15.00)

The structure that exists in the company is a more stress free, friendly environment, which can be seen from the respondents' answers. Regardless of the fact that results are expected from the employees and everybody have various responsibilities; such as developing new ideas, all the individuals' appear to live in cohesion. The open environment, low power distance and the moments spent together, for example eating breakfast collectively strengthens their cohesion. The fact that the employees have an individualistic work description can have an influence on their cohesion, since much of the interaction does not occur at the office. As Earle indicates in his research, companies with a high level of cohesion have a strong corporate culture by sharing the values of "camaraderie"¹⁴⁷. In order to be fully familiar how the situation is at the company in question, a long period observation study would be required. Therefore, based on the received answers and the comprehension got from the respondents, the interpretation of cohesion is only indicative. Regardless of the limited amount of information, a conclusion can be made that the cohesion shared by the individuals can be more described as being working cohesion, which is not greatly influenced by true friendship.

According to the respondents answers, the terms used to describe the culture and the motivation includes "*Entrepreneurship*", "*individual development*", "*job development*" and "*freedom*" within the company. These concepts reflect a significant amount of individualism, as previously analysed. Overall, the managers are more concentrated to develop and stimulate knowledge that the employees posses. This is a self-oriented mentality where the fulfilment of the individual is very important. This perspective is highly connected to the observations made by Trompenaars and Hampden-Turner.¹⁴⁸ According to these considerations, the Swedish organisation can be described as being an *Incubator culture*, as described by Trompenaars and Hampden-Turner. Moreover, the flat structure of the organisation and the fact that "*employees are not afraid to talk to their colleagues and/or to their superiors*" reflects the egalitarian alignment that exists in the organisation. This is an important factor in the definition of the *incubator culture*. Trompenaars and Hampden -Turner refer to the fact that motivation is intense and intrinsic to the individuals.¹⁴⁹ Therefore, the fact that both interviewees were referring to the job and individual development as well as the freedom that they have, indicates that their culture is connected to this type motivation. Thus, the need of other perks and motivational practices is less important.

The second point that appears when examining their corporate culture is the *Guided-Missile culture* aspect.¹⁵⁰ Indeed, the respondents' answers highlight the importance of the job-orientation. In the organization, everything is settled in order to have efficient and effective employees. Their motivation comes from their job and the managers acknowledge this. "The choice of the customers and projects" are thus an important choice for the employees' motivation. Employees have to deal with the chosen customers on particular projects, thus they have to be interested in their tasks. The fact that the employees are acting as an "entrepreneur within the company" shows

¹⁴⁷ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

¹⁴⁸ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 175-177

¹⁴⁹ Ibid, pp. 175-177

¹⁵⁰ Ibid, pp. 172-175

the implication in the development of projects inside the company and to answer to the customer's demands. Moreover, and as mention in the first part of our analysis of SYSteam, the loyalty of the employees is not related to the company but to their job. Therefore, the egalitarian behaviour that exists in the company can also be related to the *Guided-Missile culture*.¹⁵¹ Finally, the financial reward "bonus" system mentioned by the manager and the employee is clearly identified when scrutinizing this type of culture.¹⁵² The rewards system is one of the few elements at SYSteam that has rules. This is due to the fact that it is important to define the goals or objectives that the consultants have to reach in order to gain additional financial compensation.

The corporate culture that SYSteam has is not one specific type; it is a mixture of several kinds of cultures. The analysis of our findings defines the corporate culture of SYSteam as a combination of *Incubator* and *Guided-Missile culture*. Therefore making it a combination of individual and task oriented as well as egalitarian. When compared with Trompenaars and Hampden-Turner model, our conclusion is quite close to the position of Sweden provided in the figure 5. The biggest difference is that slightly more importance is given to the *Guided-Missile* characteristics.

Regarding SYSteam, one can see that the corporate culture is mostly in accordance with the employees' expectations. It provides freedom, job development and individual development in a context of stimulating work. Thus, the impact of culture is important even though employees do not always think that it provides a challenging and dynamic environment to work.

7.3.3. Motivation and Motivational Tools

According to the respondents' answers, the organization does not employ numerous motivational practices. Their practices are based on traditional ways, such as pay-for-performance and more innovative practices, for example the possibility to develop own work tasks and the freedom enjoyed. The latter example is illustrated in the employee's answer when he mentions that he has certain amount of work hours, which he need to do during a week but it does not really matter when he does them.

The employee mentions that one the most motivating factor is the company's ability to create an environment where the employees feel that they are being taken care of. This issue did not rise when motivational issues were spoken with the manager. This could be due to various reasons, for example that the manager takes this created environment for granted.

The employee thinks that this is the most important motivational factor and after that comes the freedom that exist. The employee does not mention the other "smaller motivational practices", which the manager mentions, such as eating breakfast together. The reason for this could be that the employee does not consider them to motivate him or he takes them for granted. Therefore, those motivational factors are more related to the lower level needs described in Maslow's hierarchy. Consequently, if they would exist at all the employee could become dissatisfied.

¹⁵¹ Trompenaars, F. & Hampden-Turner, C., (1997), *Riding the waves of culture, understanding cultural diversity in business*, London; Nicholas Brealey Publishing: pp. 172-175

¹⁵² Ibid, pp. 172-175

The location of the office is considered a motivational factor as well. The new setting in the downtown environment has motivated individuals because most of the customers are located closer and employees find travelling to work easier.

The researchers acknowledge the three approaches of the motivational theories: *the personality-based views, the cognitive choice / decision approaches and goal/self-regulation perspectives*.¹⁵³ Though, according to the example provided in the analysis of the Finnish company and due to its direct relatedness, the only motivational theory that will be employed is the personality-based views.

As shown in the theory, motivation is driven by the individuals' characteristics. It is related to individual psychology and personality. Therefore, Maslow's hierarchy of need's model¹⁵⁴ is applied when analysing motivational practices and how they impact on the individual. Following the same process than for Saska Finland Oy, the examination will begin at the second level need, which is the need for *safety*. The employee and the manager agree that even though "*salary*" is not an important factor of motivation, it is still necessary. This traditional motivational practice is important in order to provide the financial security that individuals need. The Swedish organisation has been able to create the needed stability for the employees even during troubled times that the IT industry has had to face, as mentioned by the manager. Thus, the safety comes from both the monetary factor and stability of job.

The next step is the study of the *belonging-love* need. Due to the individualistic aspect of the Swedish culture and the mentality of the employees working in SYSteam, this need does not seem to be very important within the organisation. However, the interviews highlighted the fact that this is not fully absent from their mentality. The employee mentions the importance of his family when he has to manage his work time and he, as well as the manager, mentions the fluent communication between people in the company. Thus, even though it is not enough to create a spirit of community it seems to be enough to fulfil this need.

The fourth level is the *self-esteem* need. As was previously assumed it should be fulfilled with the reward system and job development. The respondents' answers bring us to believe that both of these motivational practices are used in the company. The company defined a "*monetary bonus system*" and the management team has an objective of "*supporting and guiding the employees in developing their own work activities and their individual development*". The emphasis given to the job development in this company is important and appreciated by the employees because it allows them to have more freedom. This last point reinforces our thought from the Finnish company analysis that job development is a very important motivational practice that occurs in both needs, fulfilment of self-esteem and self-actualisation.

The management team of SYSteam gives a lot of importance to job development because of its impact on the development of the individuals. It is a source of creativity and innovation as mentioned by the manager and the employee under the term "*idea*".

¹⁵³ Kanfer (1992), Work motivation: new directions in theory and research, In Wiley C., (1997), What motivates employees according to over 40 of motivation surveys, *International journal of manpower*, Vol 18, No. 3: pp. 263-280

¹⁵⁴ <http://pareonline.net/getvn.asp?v=5&n=11>, (2007-05-22, 11.30)

Indeed the company supports the employees in getting ideas in order to find solution to problems or to prevent problems. This personal fulfilment is stressed by the ample freedom they get for their job. Furthermore, the employee mentions that he is “*mostly motivated thorough the freedom he has in his work*”. The need of self-actualisation is accentuated with the ““small” motivational factors” and the importance given to the work place. Indeed, the manager repeated several times the importance for the employees to have a “*place to work in the office with good equipment*” because it is not always the case in the customers’ office. And even though the employee did not mention its importance, he still thinks that he has a good environment to work and mentions “*the company takes care of its employees*”.

This study of motivational practices in the fulfilment of the individuals’ needs shows the high importance to fulfil the two last levels of the Maslow’s Hierarchy. These are mainly focused around the individuals and the innovative motivational practices that are fulfil these needs. They are the most appreciated and efficient tools motivation.

To conclude, it has been presented that the Swedish organisation uses traditional as well as innovative practices. Based on the respondents’ answers, the innovative practices, which consist of freedom for the individuals and job development, are very important. However, some other motivational “perks”¹⁵⁵ are also available. “*Free training cards for gyms*”, “*health care plans*”, “*fruits basket*”, etc., represent small perks that try to make the employees’ life more comfortable and pleasant.

7.3.4. Job Satisfaction

Overall, job satisfaction is considered to be good. The employee appears to be satisfied with his job. If he would not be, it would be relatively easy for him to change jobs but, according to him, there is no reason to do so. This statement of the employee implies that he is not emotionally too committed to the company. His emotions towards the company are, for a large part, connected to his job satisfaction.

According to the employee, his motivation and satisfaction are not directly linked to the work environment. The employee does not need to be “highly inspired at work” and does not want to be distracted for example by “bright lights or fancy decorating at the office”. In reference to the theories used in this thesis, Earle argues that the work environment is a factor of employees’ retention, creativity and stimulation.¹⁵⁶ However, even though the work environment is not as colourful and unconventional, as explained in the theories, in this case the employee does not appear to be stimulated by it. Despite of the fact that the working environment does not motivate the employee, it has been improved. These improvements include the downtown location, well-equipped workstation, etc. This willingness to provide a good quality of life at the office appears to be important in order to keep an unconscious stimulation. As a consequence, the lack of a good work environment could be revealed as a factor of dissatisfaction and be detrimental for the organisation.

Moreover, the freedom that the employees have let’s them balance their work and personal life, as they want to. This freedom is one of the key success factors in the

¹⁵⁵ Earle, H.A., (2003), Building a workplace of choice: using the work environment to attract and retain top talent, In *Journal of Facilities Management*, Vol. 2, No. 3: pp. 244-257

¹⁵⁶ Ibid, pp. 244-257

motivation management for this company. It is a factor of motivation and satisfaction because it generates a lot of flexibility.

7.4. Final Considerations

This last section of our analysis aims at crossing the two previous analyses in order to see the variations in motivation management and the practices used between Finland and Sweden. For a better understanding of the final analysis, we choose to call “Finland” in the reference to the Finnish company and “Sweden” to the Swedish one. However, we do not generalize our findings because of the low possibility to do so.

Our findings about the environment in general, and according to Hofstede’s model, is as following. Finland and Sweden have in common the *low power-distance*. This consideration implies a good communication between the individuals in the organisations. The employees can express their thoughts and their needs and on the opposite, the managers can have a better understanding of what motivate people. But even though this communication, it is sometimes difficult to know the deep source of the employees’ motivation. Nevertheless, some differences occur when comparing the other characteristics. Finland has more values of *collectivism* than Sweden, which is more oriented towards *femininity*. Finally, Finland shows more important *uncertainty avoidance* than Sweden. Thus Sweden is more able to deal with uncertain aspects of life, especially those bring with the freedom.

Our findings show that the IT-industry is generally open to every kind of motivation. Some big companies, like Microsoft, have been taken as examples by one of the respondents as providing all kind of motivational practices. Nevertheless, every respondent were agree to say that there is no specific way to motivate employees in this industry. However, when comparing the environment discovered during our study to the one defined in the chapter 3.2.1 about the IT industry work environment, the similarities are numerous. No dress code, open spaces offices, and tolerance towards people’s behaviours are defined

Our first observation from our analysis is the updated Trompenaars and Hampden-Turner model. The reader can find below two figures. The figure eight is a reminder of the mentioned model and the second is our adaptation according to our findings.

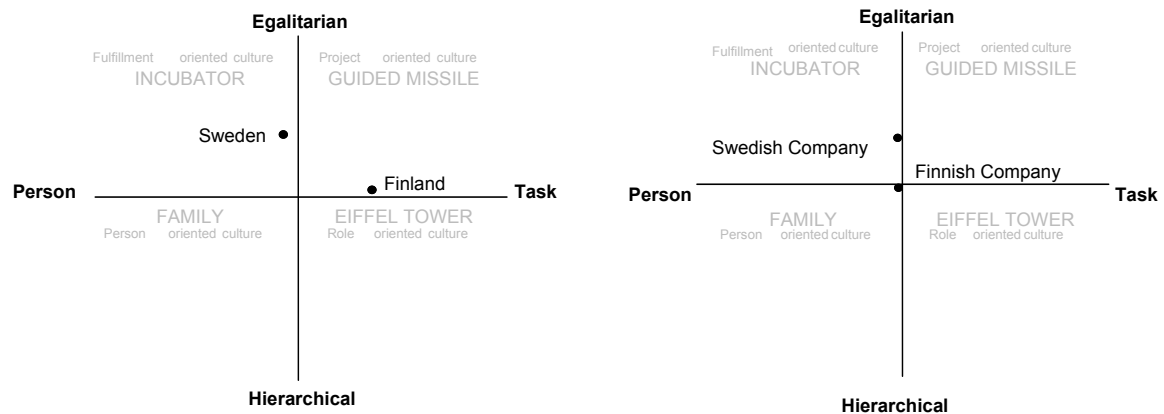


Figure 8 – National Patterns of Corporate Culture & Corporate Image
 (Adaptation from Trompenaars model – Trompenaars, F., Hampden-Turner, C., 1997, p.179)

Figure 9 – Adaption from National Patterns of Corporate Culture & Corporate Image according to the study findings

The figure nine shows that the Swedish corporate culture is slightly more task-oriented compared to the first model, whereas the Finnish corporate culture is more person-oriented. These variations bring both to a relative equilibrium between these two orientations. The Swedish organisation has more egalitarian characteristics, whereas the Finnish company is more oriented to the hierarchy. This difference is due to the Finnish organisation more Family oriented nature. This conclusion was drawn from the conducted interviews with the Finnish organization, where familial aspects were several times mentioned. In addition, based on the same interviews, characteristics that are related to the *Guided-Missile* orientation were covered. For this reason, the Finnish organization is placed on the figure nine in the following manner. In conclusion, the most important differences come from the person or task orientation. This conclusion is important because of its impact on the use of motivational practices.

We now acknowledge that both companies used various kinds of motivational practices. When comparing Finland and Sweden, we found that Finland tries to fulfil all the needs included in Maslow’s hierarchy with similar importance. Our study shows that the monetary factor is still important but the job development is gaining more and more importance as well. From the Swedish point of view, the needs that are the most important are the highest needs in the hierarchy such as *self-esteem* and *self-actualisation*. The importance is more oriented to the job and the person. Thus the motivation is different, even though the money system is used, the high amount of freedom and flexibility and the job and individual development are very important.

Finally the use of perks is spread in both organisations. The employees are aware of their good quality of life and to the fact that the organisation tries to take care of their employees through various supports such as health care.

In general the respondents are satisfied with their job. One of the main proof after the fact that they say, it is that they do not try to change. The satisfaction comes mostly from the freedom and flexibility that they can get. The particular development of the entrepreneurship spirit in the Swedish company illustrates a way to develop the creativity and innovative solution. One particular factor about the Finnish company is the impact of the regional attraction and retention. The general satisfaction can be understood as the result of the fulfillment of the needs of the individuals. In addition, it seems from our study that the satisfaction increases when the first three levels are fulfilled and that the money stops to be a concern. However, our study lacks to show the relation between satisfaction at work and its influence on the employees' commitment to the company.

The work environment, such as the work place, does not have a direct impact on the conscious satisfaction of the employees. We mean that the stimulation of such a factor can be unconscious to the individuals, and so is difficult to determine within our study. And a consequence of the lack of effort from the organization to create a good work environment that can answer to the needs that the employees can have at work is an increase of the job dissatisfaction. This dissatisfaction can be expressed with a growth of complains to the management level, a fall of the employee's performances and an increase of the turnover in an industry where it is easy to change jobs.

Certain confusion can exist between motivational factors and job satisfaction factors. Without a doubt, when people are well motivated they can express themselves positively within their job. But if they are not, they will express their frustration as dissatisfaction of their job.

7.5. Lessons Learned

In the course of the study and regarding the findings of our analysis, we have defined the final model of the influence of corporate culture on motivational practices and job satisfaction.

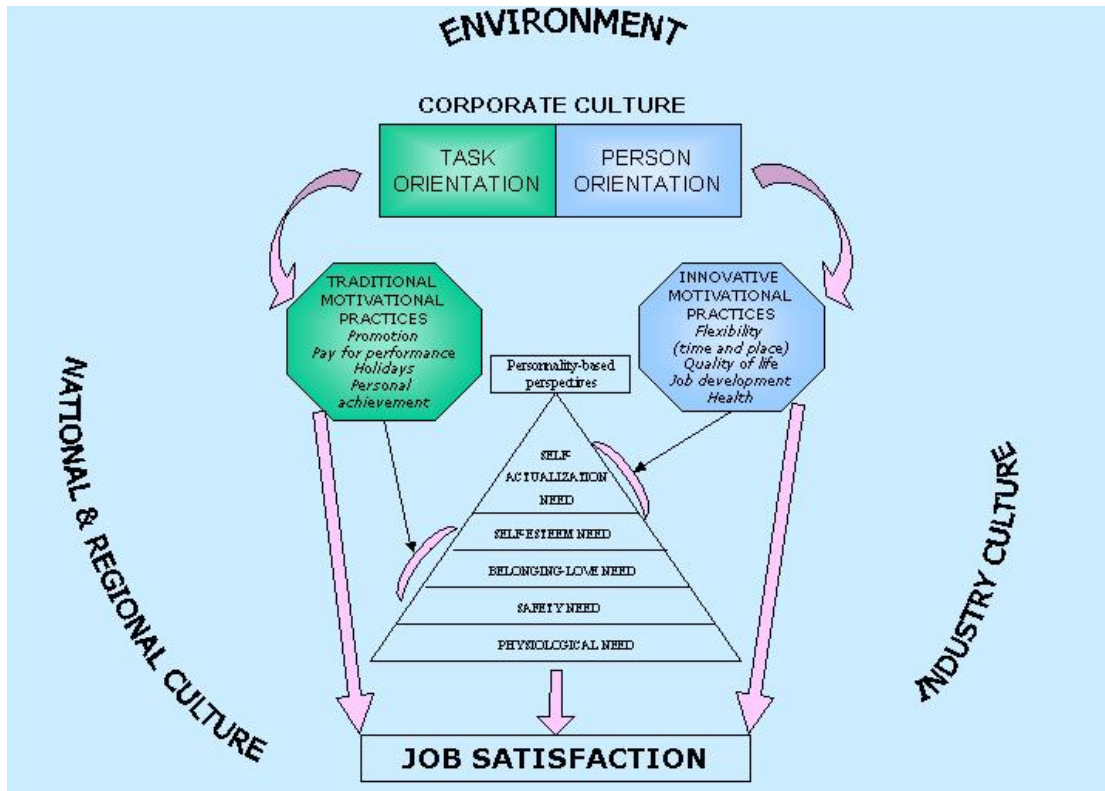


Figure 10 - Model of the Influence of Corporate Culture on Motivational Practices and Job Satisfaction

This model highlights the process on which the impact of the corporate culture upon the job satisfaction through the motivational practices is based on. The Environment such as the national or regional culture and the industry culture has in our study a role of limitation of our findings. Then we conclude that the orientation of the corporate culture impact on the use of particular motivational practice in order to emphasize the fulfilment of particular need and to have a satisfied employee.

8. CONCLUSION

The conclusions related to our research are presented in this chapter. The main purpose is to answer to the research questions and to discuss about the main considerations of our topic. Moreover, incorporated is a discussion about the difficulties and perceptions noticed in the course of the thesis.

8.1. Restatement of the Research Questions

This study examines the influence that corporate culture has on motivational practices. The aim was to discover whether there are differences in motivational management practices between Swedish and Finnish IT industry. Finally the authors wanted to scrutinize if consideration has been given to innovative motivational practices.

8.2. Final statement and discussions

Based on the findings, the corporate culture that exists in both organizations is moderately similar. Both of them have a mixture of task and person oriented cultures. Conversely, they differ in a way as what type of cultures they are combined from. The difference actually resides on the existing hierarchical level, as can be seen in the figure nine. Their variation on the person-oriented type of culture elucidates the reason of these distinctions.

Our main conclusion is that culture does influence motivational practices. How culture affects depends whether the culture is task-orientated or person-orientated. We found that the person-oriented culture emphasizes the use of innovative motivational practices, with the aim of developing individuals and their work. These innovative practices result mostly in a high amount of freedom and entrepreneurship spirit that facilitate innovation and creativity. The task-oriented culture promotes the use of traditional motivational tools. The fact that the corporate cultures are a mix of cultures explains the use of both types of motivational practices.

Overall, the dilemma with researching cultural issues is that with a limited time period one can only make indicative assessments. In order to have a better view on the matter, a method of observation, would be more appropriate, at least according to the authors.

According to the gathered empirical data, the influence that national culture has on motivational practices is found to be quite minimal, especially in the chosen IT industry. This could be due to various reasons, such as that the industry is fairly young. Therefore, it has not developed enough in order for the national culture to generate a major influence in such similar countries as Sweden and Finland. Moreover, the use of such innovative motivational practices seem to be related to issues more contextually based and to the managers' willingness than to the environment.

The conducted interviews revealed that both organizations suffer from the fact that they do not really have a complete view of what motivates their employees. The

managers of the companies believe that they have identified it but the study illustrates otherwise. Good communication is not enough in order to determine all the factors of motivation because some of them are intrinsic to the individuals and cannot be so easily recognized.

8.3. Suggestion for Future Research

This thesis indicated various future research possibilities. First of all a more deep study could be led at a larger scale, including longer observations, larger samples and various industries, in order to give more credibility to the results. Other fields such as the banking industry could be investigated with a similar objective as in this thesis. In general, the unconscious impact that motivational practices have on individuals would be a recommended topic for future research.

9. TRUTH CRITERIA

In the research field it is important to consider the scientific relevance of the study by measuring the research quality. Therefore, in the following chapter a discussion is conducted about the various factors that form the Truth Criteria. These issues have to be reviewed in order to define the relevance of the study for a scientific research. The most important criteria are reliability and validity.

9.1. Measurement in Qualitative Research

A profound discussion was conducted with the aim of analysing the measurement of the qualitative study with these criteria in order to define their relevance. Indeed, if these criteria's are perfectly fit with the quantitative research, the specific aspect of the qualitative study denotes that their scientific relevance can be difficult to measure.¹⁵⁷ The cause of these difficulties is due to the reason that the researchers are not trying to paint a true picture of the social world but to complete the understanding of social phenomenon.

9.2. Reliability and Validity

9.2.1. Reliability

Two types of reliabilities will be evaluated in this paragraph, the *internal reliability* and the *external reliability*.¹⁵⁸

The *internal reliability* is defined as the agreement between the authors, when there is more than one, about what they have seen and heard during the interview.¹⁵⁹ We consider this criterion as relevant for several reasons. First, there exists a good communication between the authors, which facilitates the sharing of information and the agreement about what have been heard and seen during the interviews mutually conducted. Moreover, the fact that every interview has been recorded avoids useless arguments about what have been said during the interviews. The second point regarding the Finnish interviews is that there was only one researcher to conduct the interview and to translate them. This is not considered to be a problem because of the good communication and trust that exist between the researchers, their criticized sense and their professionalism in their tasks. The final point is the categorization of the gathered data in order to compare and have a better view about each respondent's answer. Minimal amount of problems were faced when this task was done because of the structure used to summarize the data. If the need to have more details for the analysis appeared, the researchers would know exactly to which question and to which person to refer to.

¹⁵⁷ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 286

¹⁵⁸ Ibid, pp. 286-288

¹⁵⁹ Ibid, p.288 and 76

Bryman and Bell define the external reliability as “*the degree to which this study can be replicated*”.¹⁶⁰ Replication is a difficult requirement for a qualitative study because it is not possible to “freeze” a social setting and the circumstances that exist in the initial study in order to make it replicable.”¹⁶¹ Though, a firm belief exists that the results of our study are reliable if the study would be conducted in the same circumstances. Though, the possibility that the Finnish organization’s culture changes is possible and the particular aspect of the IT industry, which let us think that practices can alter because of its fast moving environment. Therefore, if one of the criteria would change, the findings would be probably modified.

9.2.2. Validity

The validity of the thesis has also two different aspects, the *internal validity* and the *external validity*.¹⁶²

The *internal validity* is defined as “*whether there is a good match between researchers’ observation and the theoretical ideas they develop*”.¹⁶³ We believe that this thesis meets this criteria because of the process used during the research construction. The researchers based their study on the research question and the problem. The process that followed was to build the theoretical ideas from theoretical consideration and then validate or invalidate them through the empirical process and its analysis. The empirical observation gathered during this process matches with the theoretical ideas because of the depth that the data has, in regards with the interviews.

The *external validity* is the capacity to generalize the findings across the social settings.¹⁶⁴ Overall, generalization is very difficult for a qualitative study. This issue exists also in our study. The main reason for this is the use of only two case studies and the small samples used in both cases.¹⁶⁵ The only generalisation that we can do is to apply the results to the whole organisations in each country. But a larger generalization of the results of this study could only be possible if a complementary study is done with a larger number of cases and bigger samples.

¹⁶⁰ Bryman, A. & Bell, E., (2003), *Business research methods*, New York; Oxford University Press Inc.: p. 288

¹⁶¹ Ibid, p. 288

¹⁶² Ibid, p. 288

¹⁶³ Ibid, p. 288

¹⁶⁴ Ibid, p. 288

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Interview with Krister Lundström, Manager, SYSteam, Date 2007-05-18

Interview with Jacob Rehman, Consultant, SYSteam, Date 2007-05-18

APPENDIXES

Appendix I – Interview Guide for the Manager(s)

- What is your background, title and position at the company
- Please describe the organization's corporate culture?
- Has there been effort in order to create a motivating atmosphere?
- What kind of values does the corporate culture stand for?
- How do you think that the culture of your company influences employees' motivation?
- How do you motivate your employees?
- Which of the motivational practices used meet most of the employees' stimulation?
- Do you think there are any special motivational tools in the IT industry?
- How do you think that a manager could improve employees' motivation?
- How could you define the behaviour of people in your organization? Would you consider them to have typical characteristics of the employees in the IT industry?
- Do you have some general rules or practices given by the company in order to motivate people?
- Can you describe the company's work environment and do you think it influences employees' motivation?
- Do you think that your employees are satisfied?

Appendix II – Interview Guide for the Employee

- What is your background, title and position at the company
- Please describe the organization's corporate culture?
- Has there been effort in order to create a motivating atmosphere for employees?
- What kind of values does the corporate culture stand for and how are they promoted?
- How does corporate culture affect your motivation?
- How are you motivated? Can you affect the manner in which you are motivated?
- How could management increase your motivation?
- How does the work environment affect your motivation? Does the design of the workspace affect your motivation?
- Are there any specific motivational tools in the IT industry, which differ from other industries?
- Are you aware of motivational tools that are not used in your organization but you would be willing to try?
- Can you describe the office environment?
- How could you define the behaviour of people in your organization? Would you consider them to have typical characteristics of the employees in the IT-industry?
- Are you satisfied with your job?