What to do with the Chinese?
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Abstract

Today, the Peoples Republic of China (PRC) is a fast growing economy, which is still in a developing phase. According to this fact, many Western companies are expanding and establishing in China nowadays. When expanding to foreign markets and foreign cultures, adapting to the local values is something which needs to be considered by foreign managers. A vital aspect is how to motivate the employees. The way employees want to be motivated may differ a lot from one country to another due to cultural differences. Since not much research has been performed on Swedish companies established in China and how they motivate their Chinese employees, this dissertation tries to fill that gap.

The purpose of this dissertation is to explore the gap between Western management practices and motivation of Eastern employees. To find out if there are different needs and wants of employees in developing countries as opposed to developed ones. A deductive research approach is used in this dissertation.

A two perspective study has been performed, qualitative case studies and a quantitative survey. On one side, Western managers views on how to motivate their Eastern employees as case studies. On the other side, a survey performed on a Chinese population and their view of important motivation factors. Some concepts were tested in order to investigate if the Western managers and the Chinese population have the same views on motivation and how to overcome cultural differences. First, results have shown that the “third culture” as a management tool will have an influence on employee motivation. Second, clear goals and rules will have an influence on employee motivation. However, the use of cooperative goals for Eastern employees was not confirmed to be useful, according to the results of this study. As a conclusion, the findings from this study indicate that there is a gap between Western managers and Eastern employees’ beliefs regarding motivation. However, to overcome cultural differences when operating in cross-cultural settings it is necessary to create a “third culture”. This study has strengthened the theory of the “third culture”.

Analysis and conclusions from this dissertation may be of some value for Swedish managers. The value in this dissertation lies in that it can give a “hint” regarding motivation to managers of companies which operate in China. Some theories studied in this dissertation have not been confirmed. Therefore, managers should consider theories, but also try to adjust them in order to make them fit to their specific business.

Keywords: Cross-cultural management, Eastern employees, motivation, cultural differences, China
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Karl Lemoine  Carl Jansson
1. Introduction

In this part of the dissertation, the background, problem, purpose, research questions, limitations and an outline of the dissertation is presented.

1.1 Background

The Peoples Republic of China (PRC) is a fast growing economy, still in a developing phase. After huge political changes the country is now becoming an open economy (Fang, 2005). The switch from a governmental controlled economy to a more open economy driven by market forces creates many opportunities both for domestic and foreign firms (Luo, 2002). Due to major political reforms, there are many opportunities for foreign firms to take advantages of this fast growing economy (Fang, 2005; Schlevogt, 2002). New emerging markets, like China often have the features of a large domestic demand and a industry structure which is not well developed. Most emerging markets also have their comparative advantages build upon basic factor endowments, such as natural resources and labour (Lou, 1999; Porter, 1990). The entry of foreign firms in PRC can be done in numerous ways, for examples by FDI, joint ventures, mergers, import and export (Hill et al. 1990). A vital aspect to consider when doing business is how to motivate the employees. The ways to motivate employees can differ a lot from one country to another due to cultural differences. Different values in different cultures play an important role in strategic human resource management (Dolan et al., 2006).

The world is becoming more and more globalized and today trade between countries is more important than ever (Lou, 1999). Today, China is the world’s largest export country which recently passed Germany as the number one exporter of goods in the world. Worth mention is also that it is not only an increase in export but also an enormous increase of Chinese import. Last month of the year 2009 China’s import rose with an amazing 56 percent (e24).

It is not only large countries that are export oriented. Sweden is a small country with a small domestic market. This fact has made Sweden dependent on trade with other countries, since half of the Swedish GDP comes from exports. Sweden’s largest trade partners are the other members of the European Union, but the East Asian countries are emerging (ekonomifakta).

Sweden’s largest Asian trade partner has been China since the year of 2003. In recent years trade between the two countries have increased very fast. Between 2006 and 2008 both the Swedish export to and import from China increased with 20 percent. Swedish establishment
in China is also increasing and billions of SEK in capital are invested every year in Swedish business interests in China. These investments create demand for professional services. Local presence enables new opportunities for the Swedish firms to meet the increasing demand from the whole Asian region (swedish trade). However, to establish operations in a foreign country can be problematic and hard to manage.

Western and Eastern cultures are very different both when it comes to doing business and the way people act and think (Ling, Ang & Lim 2007). Today many companies from developed countries tend to start up operations in developing countries (Zang & Wang, 2009). It is vital for firms to be able to run their business in foreign countries in a way which motivates the native employees. This may not be the same way that the firms motivate their employees in their home market. According to Dolan (2006), there are differences in management from one country to another (Dolan et al., 2006). The management of an organizations way of operating can be influenced by environmental factors (cultural, economic, social, legal differences) when extended to include a foreign location (Martínez & Toyne, 2000).

Earlier studies have shown that numbers of years operating in foreign markets are closely linked to firm performance in those markets. International experience from other parts of the world may also affect the performance. This may be a result of the fact that these firms are quicker in acquiring country specifics such as business climate, culture and structure (Carlsson, Nordegren & Sjöholm, 2004). Those aspects are closely connected to cross-cultural management issues like, how Western managerial practices influence Eastern employees’ behaviour.

Motivation of employees is very important in several aspects. Motivating people is simply to make a reason for people to do something. Motivating staff is a crucial part for having an attractive employment place, for example it may attract the best people to a firm. Those people can possibly create high efficiency and competitive advantage. Therefore, many companies have developed a motivation strategy. It can take a form of financial, non-financial rewards, leadership positions or just the ability to advance career wise. Studies have shown that motivated employees are performing better than less motivated employees (Armstrong, 2006 ; Guzzo et al., 1985; Locke et al., 1980; Stajkovic and Luthans, 1997). Motivation can create a competitive edge and increase a firm’s productivity (Armstrong & Murlis, 2004). Since motivation has such an important role within an organization, we do believe that research in this field is needed and may help managers in order to get a clearer view of how to
motivate Chinese employees. There have been done earlier studies in this field (Chen & Tjosvold, 2008; Björkman & Lu, 1999; Jackson & Bak, 1998; Graen & Hui, 1996). The earlier studies have been based mainly on American firms and only a few studies have been done with a European perspective. American studies may not be generalized over all Western countries since there are country specific differences in the way of doing business. This study aims to fill a gap in cross-cultural management, show the difficulties in management which arises when people from one culture manage people from another culture.

1.2 Problem

There are numerous problems regarding cross-cultural management. Several aspects need to be considered when managing employees in a foreign market. Among the aspects that need to be considered, four aspects are extra important for understanding culture and management practices in Eastern countries. Those four aspects are respect for age and hierarchy, the fear of losing one’s face, group orientation and personal relationships (Björkman & Lu, 1999).

The first aspect, respect for age and hierarchy is very important in some Eastern cultures. However, in many Western cultures age is not that important and in many Western organizations the organizational structure is less hierarchical (Bond, 1991). The second aspect the fear of losing one’s face is something that is deeply rooted in some Eastern cultures. The meaning of losing face is simply to be corrected and less respected as a consequence of a bad behavior (Gao et al. 1996). The third aspect group orientation is about whether individuals see themselves as individualists or collectivists (Earley, 1989). The fourth and final aspect building personal relationships is something which is more necessary in some cultures than in others. In some cultures a personal relationship has to be built before any business can be done (Xin & Pearce, 1996). Regarding those differences between different cultures, problems can occur when managers from one culture apply their managerial practises in another culture. Those problems arise when managers have a lack of understanding of the cultural differences between the two cultures (Graen & Hui, 1996). Issues in cross-cultural management are based on cultural differences among individuals. Differences in the way individuals think, believe, interpret and act in different situations can create problems when managing people from different cultures (Hoefstede, 1984). This dissertation will concentrate on the problems regarding motivation of employees from another culture.

People are not always self-motivated and, therefore, they need to be motivated by something or someone (Armstrong, 2006). Scholars have shown that human resource management (here
after HRM) has been a problem for joint ventures between Western and Eastern companies. Performance motivation and employee turnover have been especially problematic parts of HRM (Wang & Satow, 1994; Wang, 1992).

There are already existing studies on how Western companies motivate their employees in foreign cultures. However, this is an American dominated field, while there have not been much European research in this field (Celaya & Swift, 2006; Graen & Hui, 1996). Hence, this dissertation will focus on European companies’ managerial practices in foreign cultures.

1.3. Purpose
The purpose of this dissertation is to explore the gap between Western management and motivation of Eastern employees. To find out if there are different needs and wants of employees in developing countries as opposed to developed ones. If there are differences, are those differences considered by Western companies in their HRM? The outcome of this dissertation will provide information about if Western managers should reconsider their way of motivating their Eastern employees.

1.4 Research question

*How do Western managerial practices influences Eastern employees’ behavior in terms of motivation?*

1.5 Theoretical limitations
This dissertation is limited to a few established theories within the field of study. First, Hofstede’s Cultural Dimensions and Graen and Hui’s Nominal and Systematic differences will be used to explain cultural differences. Second, Katz and Kahn’s Organizational Role Theory will be used in order to get a deeper understanding of employee expectations and employee behavior. Third, the Resource Based View (RBV) will be used, since the management of a firm can be seen as a valuable resource as well as the employees. Fourth, the Theory of Cooperation and Competition will be used in order to explain what type of goals employees prefer. Fifth, the theory about the “third culture” will be used to describe how two different cultures can be integrated into a new, “third culture”. Sixth and final, three established theories regarding motivation will be used in order to give a deeper understanding of motivation. The motivation theories in this dissertation are: Hertzberg’s Two Factor Theory, McClelland’s Acquired Needs Theory and Vroom’s Expectancy Theory.
This study is limited to investigating how Western managers motivate their Eastern employees in developing countries and how these employees want to be motivated. This research will not study why Western companies have chosen to expand to developing countries. Nor will it look at other outcomes, such as performance or profitability since a higher level of motivation alone cannot explain how much firm performance or profitability will increase.

1.6 Outline
This dissertation consists of seven chapters. The first chapter presents the background, problem, purpose, research questions and the theoretical limitations. In chapter two, the research philosophy, research approach, choice of theory, and choice of methodology are presented. This is followed by chapter three, where the theoretical framework is reviewed and the hypotheses are presented. The fourth chapter consists of research design, time horizon, data collection, sample selection, operationalization, analysis method, reliability, validity and generalisability. In chapter five the results from the case studies can be found. The sixth chapter consists an analysis of the case studies and analysis and empirical findings from the survey. Chapter seven is the final chapter of this dissertation, including conclusion, practical implications and suggestions for further research.
2. Research Method

The second chapter of the dissertation presents the methods used in the study. In this chapter research philosophy, research approach, choice of theory and choice of methodology is presented.

2.1 The research process “onion”

When deciding on the research approach and choosing research strategy, this dissertation is based on Saunders et al.’s (2003) theory about the research process “onion”.

![The research process "onion"](image)

As one can see from the figure above this model consist of five different layers. Saunders et al. (2003) claim with this model that when conducting research one should start from the outside and work one’s way in to the centre of the “onion”, one layer at the time should be peeled off. The first layer is research philosophy followed by research approaches, research strategies, time horizons and the final layer is data collection methods.

2.2 Research philosophy

The way one thinks about development of knowledge will affect one’s choice of research philosophy. The literature is dominated by three views on research philosophy, those are;
positivism, interpretivism and realism. All three views have proven to play an important role in business and management research (Saunders et al., 2003).

The first view, positivism, is related to the philosophical stance of the natural scientist and the way it approach the research. The research procedure with the positivism view is to observe reality in an objective way without interfering and afterwards develop a law-like generalisation (ibid). The second view of research philosophy is interpretivism. A common view is that the business world is complex and differs from one situation to another. According to this, one cannot create any definite “laws” and this is an interpretivistic point of view. Since “laws” cannot be created according to the interpretivistic point of view, there will be a problem with generalisation. Instead of generalisation, the interpretivist aims to get a deeper understanding in specific cases about human behaviour (Neuman, 1994). Realism is the third view of research philosophy. This view is based on independent human thoughts and beliefs which together create an existing reality. A realist tries to understand the interpreted world of people and also tries to understand what influence and constrains people’s interpretations (Saunders et al., 2003).

It would be naïve to say that one philosophy is better than another (Saunders et al., 2003). The truth is that they are all good, but the one you choose has to fit with your research question(s). Since the research question of this dissertation will try to find an answer how variable A influences variable B a positivistic philosophy will be used. Even though business environments can be unique this study will try to make limited generalizations from the findings which also support the positivistic philosophy. This research will not try to interfere with the reality of the observed objects. Instead this research will try to observe the reality in an objective way which would be another argument for the choice of a positivistic philosophy.

2.3 Research approach

Research can be approach in two different ways, either by a deductive approach or an inductive approach (Saunders et al., 2003). While using a deductive approach, a new theory and hypothesis (hypotheses) are developed and those are tested in observations in order to be confirmed. This approach is often based on earlier theories and existing literatures. In the inductive approach, the procedure is the other way around, observations and patterns create a tentative hypothesis which leads to a new theory (see figure below).
When using a deductive approach it is necessary that the approach is operationalized, meaning that terms have to be clearly defined in a way which reduces misapprehension and enables quantitative measuring. It is also important to have a large number of samples in order to do a generalization which creates validity as well as reliability. In the inductive approach researchers starts out with observing and analyzing data about a specific occurrence. The data from the observations is analyzed and new theories are created. When analyzing the data from the observations with the inductive approach, there is less concern regarding generalization compare to the more structured and quantitative deductive approach (Saunders et al., 2003).

When choosing research approach it is important to take into consideration any constrains there may be. Constrains are for examples limited access to data and lack of knowledge within the field, which will have an impact for one’s choice of approach. Therefore, this dissertation will use the deductive approach since there are lot of existing literature and theories in the field of motivation and cross-cultural management. Since the research question try to find an answer to how variable A influences variable B a deductive research approach is appropriate. Lack of knowledge within management practices in China is also a reason to the choice of the deductive research approach. The final stage of the research will be to make limited generalizations from the findings on a large population group. Generalization is done by quantitatively testing the findings, which is one of the characteristics of a deductive approach. All of the above mentioned reasons have contributed to the choice of a deductive approach for this dissertation.

2.4 Choice of theory
An aim of this dissertation is to find new approaches and new ways of evaluating cross-cultural management. In this dissertation existing theories will be introduced and explained in
order to give the reader a clearer view in the field which is studied. These existing theories will be modified and integrated to create a model which can be used to evaluate the western managerial practices in China. In this dissertation established theories within the fields of management and culture diversification will be used.

Many companies today claim that their most valuable asset is human resources (Armstrong, 2006). Assuming this is true; human resources could be the basic of creating a competitive advantage. To illustrate this; the Resource-Based View (RBV) will be used in this dissertation. Other theories which will be used are the Organizational Role Theory, the “third culture”, Cultural Dimensions, Graen and Hui’s Nominal and Systematic Differences and three established theories regarding motivation. The connections between these theories and how managerial practices influence the motivation and satisfaction of the employees will finally be discussed.

2.5 Choice of methodology
This dissertation tries to explain the relationship between established theories and managerial practices. This will be done with a deductive approach. The effect of managers’ actions on employees’ behaviour will be analysed and generalized. The dissertation will start out with a focus on existing theories within the field. Those theories will be analyzed and evaluated with help of in-depth interviews with Swedish managers. The choice of in-depth interviews was made in order to qualitatively investigate how managers act and believe regarding cross-cultural management. By investigating qualitatively how managers act and believe, the hope is to retrieve a greater and deeper understanding to why and how they manage cultural differences. A qualitative study will hopefully generate in a complete and detailed understanding of managerial practices. When information about the managerial practices has been received, the findings will be quantitatively tested on a Chinese population. Quantitative testing will be performed to classify, count and make limited generalizations in order to explain what is observed. The results from the test will be compared with earlier research perform by US researchers.
3. Literature Review

*Within this part, cross-cultural management is described, as well problems with cross-cultural management. Definition of culture, well-established cultural differences theories and theories about resources in a firm and how to manage those are also reviewed. Later on, some theories about motivation of employees and a model is created at the end of this chapter. Finally, three hypotheses are presented.*

3.1 Culture

Within this part, culture and cross-cultural management are defined. Problems that can arise from cross-cultural management are also explained and discussed.

The definition of culture is a complex matter. There are numerous definitions, but there is not one specific accepted definition of the word culture. National culture has been shown to play an important role in organizations and is also a big influencer when it comes to managerial and employees’ attitudes (Gannon et al., 1994; Tayeb, 1994; Hofstede, 1984). Earlier research has shown that 25 to 50 percent variations in interpretation within the organization have its origin from national culture (Gannon et al., 1994). Hence, this dissertation will refer to national culture when the term culture is used. Peter Anthony describes culture as follows (1994, p.28):

> Cultures develop in communities which are distinctive from their neighbours and are held together by patterns of economic and social cooperation reinforced by custom, language, tradition, history, and networks of moral interdependence and reciprocity. As these are established and sedimented over time they lead to customary understandings and obligations, patterns of expectations that do not require to be calculated or defended. The ordinary transactions of life in a community depend upon implicit and unexamined assumptions and agreements about values and meanings. They depend, in other words, upon shared cultures.

The term national culture refers to the fact that a single country has a specific culture. However, within a country’s culture there are many subcultures which are quite similar. Studies of value differences seems to be the best approach to understanding national cultures since the values of individuals are relatively consistent across cultures while values differ more between countries. Countries with small cultural differences are often grouped into clusters in order to make generalizations easier. The cultures within the same cluster share more similarities than they have differences. Scholars talk about Eastern and Western cultures and the huge differences between them. Even though there may be many differences between two Western countries there are more similarities and that is why they are sometimes put in to the same cluster of Western culture (Silverthorne, 2005).
To understand how organizational psychology theories can be applied and used in other countries, one must understand that culture and cultural differences are key elements and play important roles in organizational behaviour (ibid.).

Working in an organisation where people have diverse cultural backgrounds is often challenging. It is hard to implement good personal relations between culturally diverse people within an organisation. Something that seems quite reasonable in one culture may be very hard to understand if viewed through the eyes of a person with another cultural background (Adler, 2002).

With an increasing globalization, the demand for managers with the skills and ability to work with people from other countries and cultures arises. Problems can arise when people from one culture manage people from another culture (Adler & Gundersen, 2008). According to Nancy J. Adler and Allison Gundersen (2008, p.13):

Cross-cultural management describes organizational behaviour within countries and cultures; compares organizational behaviour across countries and cultures; and, most important, seeks to understand and improve the interaction of co-workers, managers, executives, clients, suppliers, and alliance partners from countries and cultures around the world.

Culture is a vital concept within cross-cultural management. Thus, it is important to have a clear definition of the word culture.

Interaction between employees and managers from different cultures increases when companies become multicultural as a result of multinational operations. New strategies for companies are needed with an increasing multiculturalism (Adler, 1983).

Being badly informed about the nation for expansion can have fatal consequences on an organization’s performance. Companies which do not adopt the country specific norms and values often end up with failure in that specific market. What works for a organization in their home market might not work in another market (Adler, et al. 2008; Jackson & Artola, 1997). People can be entrenched by their own culture to a degree where they cannot see the possibilities for other cultural practices (Graen & Hui, 1996). That is why adaption to the local culture and understanding of the cultural differences is vital for success when expanding to foreign markets. Therefore, in order to understand cultural differences it is necessary to understand the term culture.
3.2 Cultural differences

The fact that the world is becoming more globalized has numerous effects on nations and cultures. One common belief among people is that globalization leads to decreasing independence of cultures. Cultures becoming more alike and integrated with each other as a “global culture” emerge. This may be true, however, there are still a lot of differences between different cultures (Lieber & Weisberg, 2002). Managers have to consider several cultural differences when managing people from other cultures and societies. Hofstede (1983) has described four cultural dimensions which need to be considered when trying to understand the differences in national cultures. Even though Hofstede’s theory of Cultural Dimension does not explain every possible reason to cultural differences, it is still a commonly used theory when performing research regarding national culture and work related values (Yifeng & Tjosvold, 2008; Alas & Sun, 2007; Jones, 2007; Jackson & Bak, 1998; Graen & Hui, 1996). The theory can help explain the root of many cultural differences between different nations.

3.2.1 Hofstede’s Cultural Dimensions

As mentioned above, Hofstede (1983) has described four cultural dimensions; these are individualism versus collectivism, uncertainty avoidance, power distance and masculinity.

The first dimension, individualism versus collectivism is about whether people in a society see themselves as individuals or a part of a group. Individuals are not dependent on other people. Only their own interests and the interests of the people closest to them are being considered. Collectivists, on the other hand, are more group orientated when it comes to interests, believes and opinions. What is good for the group is good for a collectivist. The second dimension, uncertainty avoidance, has to do with risk taking, patterns of life and rules in a society. A person belonging to a society with a high degree of uncertainty avoidance is less likely to take risks. He/she also usually prefers to follow rules of society or the pattern of the people around him/her. A person with low degree of uncertainty avoidance on the other hand, is more likely to take risks in life and response faster to changes in society. The third dimension is power distance. Power distance refers to the degree people without power in a society accept and expect that only a few people in the society have the power. Societies with high power distance have and encourage hierarchy which leads to centralised decision making. Low power distance societies are characterised by the opposite, decentralisation decision making and low inequality among people. The fourth and final dimension is about the degree of masculinity. The degree of masculinity refers to which degree the society

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emphasis traditional gender roles. A society with a high degree of masculinity has distinct gender roles. Material goods and money are important in this kind of society where people to a high degree seek success and high performance. In contrast, a society with a low degree of masculinity has high equality among its people as well as less distinct gender roles. Caring for others and quality of life are values that are highly regarded in this kind of society (Hofstede, 1983).

Even though Hofstede’s Cultural Dimension is a commonly used theory, it still has received some criticism. The theory has been criticised for not being relevant (Schwartz, 1999) and the sampling flawed (McSweeney, 2000). Researchers claim that Hofstede assumes that nations are culturally homogenous and do not consider the importance in variations in communities (Dorfman & Howell, 1998; Smith, 1998; Redpath, 1997; Lindell & Arvonen, 1996; Nasif et al., 1991). Many scholars have also criticised the study for being outdated and only being performed on one multinational enterprise (Olie, 1995; Søndergaard, 1994; Graves, 1986). Agneta Moulettes (2007) claims that Hofstede’s dimension masculine and feminine creates a prejudiced view of culture and gender, since Hofstede’s study used a sample group of mostly middle classed men (Moulette, 2007). Due to this fact, it is necessary to look at cultural differences from another perspective as well.

3.2.2 Graen and Hui’s Nominal and Systematic Differences

Hofstede describes cultural differences with his theory “Cultural Dimension”. However, Graen and Hui (1996) have another point of view on the origin of cultural differences. They claim that cultural differences arise both from nominal differences and systematic differences. Nominal differences refer to how different cultures define some specific phenomenon. These phenomena are language, institutions and behaviour. Different countries many not have the same vocabulary and some words may not exist in some languishes. Such differences can create big problems when managing people from another culture. The systematic differences, however, refer to social accepted regulations concerning values, beliefs and philosophy. It is important to understand and manage both the nominal and systematic differences in cross-cultural management. Otherwise these differences could lead to misunderstandings and a cultural clash which can be both costly and time consuming (Graen & Hui, 1996).

This dissertation will consider Hofstede’s Cultural Dimensions but also Graen and Hui’s Nominal and Systematic Differences. Both theories will be considered in order to give a deeper understanding of what causes the cultural differences among nations.
It is often challenging to develop an effective relationship between managers and employees who have different cultural backgrounds. An employee from another culture than its manager can find an action which appears very reasonable to the manager, to be very unfair and illogical (Adler, 2002). Hence, it is vital to have clear roles and expectations within the company which enables work efficiency. A theory that explains roles and expectations of a company is Organizational Role Theory.

3.3 HRM theories

In this part, theories concerning employees in a firm (HRM) will be introduced. The theories described are: Organizational Role Theory (ORT), Resource-based View (RBV), The Theory of Cooperation and Competition, and finally the theory about the “third culture”.

3.3.1 Organizational Role Theory

The Organizational Role Theory (ORT) explains that to achieve organizational goals, each and every individual have to be aware of their role within the organization. Those employee roles are, therefore, often pre-planned, task-oriented and built upon a hierarchical system (Biddle, 1986). The idea about this theory is that specified tasks and duties among employees can be performed in a good way if they know their work roles precisely. All employees within a firm need to adopt assigned work-roles so that the firm can target their goals in an effectively way. In order for an employee to adopt his/her work role first he/she needs to accept his/her role. Secondly the role and expectations need to be communicated, fully understood and accepted by the employee (Katz & Kahn, 1966).

The aim of firms is to get the employees to act (role-behavior) as the firm wants (role-expectations). If this is not the case managerial practices such as retraining and performance review will be taken into action. This is done in order to teach the employees about their tasks and duties as well as clarify any misunderstandings of the expectations. This process will continue until the role-behavior and role-expectations are identical (ibid.).

When the role-behavior and role-expectations are identical the value of the employees for the organization is greater, because when the expectations are being met the employees perform their required tasks more effective and efficiently (Katz & Kahn, 1978). According to Armstrong (2006) people within an organization are the most valuable asset of the organization (Armstrong, 2006). If the people within an organization shall be seen as the most valuable asset, it is important that the behaviors of all people are the same as the expectations
on these people. Once the behavior and expectations are the same, and the employees are performing their tasks effectively and efficiently then the employees could be seen as a great resource or strength. A phenomenon like effective and efficient employees is hard for competitors to copy and requires much learning and training. Effective and efficient employees could be a competitive advantage for an organization (Wernerfelt, 1984). The Resource-Based View is a theory that explains how a resource or strength can be developed to sustainable competitive advantage.

3.3.2 Resource-Based View

The Resource-Based View (RBV) is normally not viewed as a HRM theory, however, if management know-how and employee skills are the only resources looked at, one can view it as a HRM theory.

One economic tool to determine the resources of a company is the Resource-Based View (RBV). This theory explains how resources of firms can develop into sustainable competitive advantages. Anything that can be a strength or a weakness of the firm can be classified as a resource (Wernerfelt, 1984). Resources can be either tangible or intangible. It could be for instance, production process, equipment, the skills of individual employees and management skills (Castanias & Helfat, 1991; Wernerfelt, 1984).

There are some criteria when identifying a potential resource. Barney (1991) claims that there are four criteria: valuable, rare, imperfectly imitable and without strategically equivalent substitutes:

- Valuable – a resource that is valuable to the firm in sense that it improves efficiency and effectiveness and/or exploits opportunities.
- Rare – not widely available to the competitors.
- Imperfectly imitable – not easy to implement by others.
- Without strategically equivalent substitutes – the resource cannot be replaced by any other non-rare resource (Barney, 1991).

As mentioned above employees or management skills can be a source for competitive advantage. However, a great degree of interaction between managers and employees is needed to create better performance and efficiency for the organization (Chen et al., 2005). To understand whether employees within an organization prefer to cooperate or have a more
individualistic competition between each other, one can use the Theory of Cooperation and Competition.

3.3.3 Theory of Cooperation and Competition

In the Theory of Cooperation and Competition, the main point is that the outcome of organization is dependent on the interaction of the individuals in the organization. The interaction of individuals is dependent on the way goals are structured. There are three ways of structuring goals: cooperation, competition and independence (Johnson & Johnson, 1989; Deutsch, 1973, 1949).

In cooperation, the members of the organization believe that others’ success makes your own success easier. When others move closer to accomplishing their goals, you also move closer to accomplishing your own goals. When others finally accomplish their goals, you as an individual also move closer to accomplishing your own goals since you all share rewards and pursue the same vision. With cooperation, members of the organization have similar goals, and that makes it easier for the members to talk about their problems and ideas in order to find a mutually acceptable high-quality solution. These mutually acceptable solutions will result in productive work. With common goals, conflicts are viewed as a common problem which needs consideration and a solution. The members have a greater reason to be concerned about others which tends to make them cooperate in order to find the solution for the problem. With shared rewards, people tend to cooperate to an even higher degree and help each other out with tasks and problems which will lead to a higher efficiency (Chen & Tjosvold, 2008).

In competition, the members of the organization believe that the goal fulfilment of others makes it harder for them to fulfil their own goals. A win-lose situation occurs with this kind of thinking. Members believe that they are better off when others work inefficiently, since they will have worked more efficiently themselves when comparing. In competition members also tend to withhold information and ideas from their co-workers in order to perform better than others (Johnson & Johnson, 1981; Deutsch, 1973). This behaviour can create frustration, hostility and restricted communication which all have a negative impact on the outcome of the organization (Chen & Tjosvold, 2008).

In independence, the members of the organisation believe that others have no impact on their own ability to fulfil their goals. Instead they believe that they themselves are the only ones who can impact their goal fulfilment. Since members cannot see any use in helping others
there are few incentives to assist others. Neither is there a lot of work related interaction between members in the group since members are indifferent to others’ interests (Johnson & Johnson, 1981; Deutsch, 1973).

Researchers have studied actual interaction and argue that this would develop knowledge which could help cross-cultural management. The studies have shown that interaction can help an organization with diverse cultures to create a common platform for integration (Smith, 2003; Kimmel, 2000). Chen and Tjosvold (2008) have shown that the Theory of Cooperation and Competition can provide a framework for overcoming cultural obstacles. By providing cooperative goals, strong relationships between employees and foreign managers can be developed (Chen & Tjosvold, 2008). It may be difficult to develop relationships between managers and employees which are productive when managers and employees are culturally diverse (Earley & Gibson, 2002; Earley & Mosakowski, 2000). One culture shall not dominate over the other in cross-cultural partnership building. Instead members of both cultures have to converge with each other and make compromises in order to create a “third culture”. The “third culture” will mix the essential parts and are accepted by both original cultures (Graen & Hui, 1996).

3.3.4 The “Third culture”

Graen, Hui and Wakabayashi (1996) defined something they called the “third culture”. This is their solution to the problem of managing people from another culture. According to Graen et al (1996) the traditional way of managing cross-cultural business relationship is with “two cultures”. With two cultures they mean that the partners remain “strangers” to each other and none of them adapt to the others. Members of one culture may accept or deny the cultural differences. With denying cultural differences Graen and his colleagues means that people reject the idea and refuse to recognize cultural differences (Graen, Hui & Wakabayashi, 1996). This often leads to members of one culture tries to force their cultural values and norms on to the people from the other culture. Sometime this happens in both directions. In contrast when accepting cultural differences, the members of both organizations will recognize and accept that there are cultural differences, but little is done to overcome those differences (Graen & Hui, 1996).

When practising the third culture on the other hand, actions are being made in order to integrate and incorporate two cultures into a “third culture” (Graen & Wakabayashi, 1994). By compromising between two different cultures the organization aims to develop a “new
By creating a “third culture” an organization will make its members, what Graen and Hui (1996) call, “cultural insiders”. A cultural insider is a member, who does not judge but respects and welcome other cultural values. With cultural insiders an organization can focus more on its business dealings and less on external control mechanisms. This will lead to a maximization of the organizations capabilities and a higher efficiency of the organization as a whole (ibid.).

Hopefully, cultural insiders will work in a way which meets the firm’s expectation, accept their roles and be the most valuable resource to the firm. However, something that can be problematic is how to motivate the employees of the firm. Optimal motivation of each and every employee within the firm will create even more efficiency. How to motivate people is a complex matter and bellow, some well established theories regarding motivation are described.

3.4 Motivation theories
Bartol and Martin (1998) claim that there are three subcategories of motivation theories: need theory, cognitive theory and reinforcement theory. A well established need theory is Herzberg’s Two Factor theory. This theory is based on hygiene-factors and motivators. A second well known need theory is McClelland’s Acquired Needs Theory. In this theory three types of needs are identified and those are power, achievement and affiliation (Islam & Ismail, 2008).

Among the cognitive theories the most famous one is the Expectancy Theory. This theory was proposed by Vroom (1964). The theory proposes that people are being motivated by their own expectations on what will happen if they act in a certain way. People become more productive when they believe that their expectations will turn into reality (Robbins, 1993).

Reinforcement theories can be seen as antitheses to cognitive theories. While cognitive theories suggest rewards after “good” behavior; the reinforcement theories both suggest rewards to “good” behavior but also punishment to unwanted behavior (ibid.).

The majority of scholars in the area of motivation claim that there is a close link between job satisfaction and motivation. Motivation and employee commitment to the organization are
also closely related (Pool and Pool, 2007; Basset-Jones and Lloyd, 2005; Chen et al., 2004; Lok and Crawford, 2004).

3.4.1 Hertzberg’s Two-Factor Theory
Frederick Herzberg (1959) presented the Two-Factor Theory in his book *Motivation to work*. The theory was later refined in one of his articles in 1968. Herzberg (1968) claims that people have two sets of needs. First, there are lower levels of needs which are the basic animalistic needs to avoid pain and deprivation. Second, there are higher levels of needs which enable psychological growth of humans. Different factors in the workplace meet the different needs. The factors which meet the first set of needs are called hygiene factors while the ones which meet the second set of needs are called motivators. Hygiene factors are necessary in order to prevent job dissatisfaction. These factors do not create job satisfaction but a short of them will lead to job dissatisfaction. Examples of hygiene factors are general management, internal relationships with managers, working conditions and company policy. Motivators, on the other hand, create motivation for the employees. Motivators are concerned with what a person does at work. Things like achievement, recognition, responsibility and advancement are all examples of motivators. However, in order to create job satisfaction, managers must provide both hygiene-factors and motivators (Herzberg, 1968).

3.4.2 David McClelland’s Acquired Needs Theory
McClelland (1987) claims that an individual’s needs are connected with one’s life experience. Those needs are classified into three different categories, achievement, affiliation and power. This theory can be applied on every individual, but are mainly focused and used when describing managers. Due to McClelland, there are those three needs that have impact on whether employees are motivated or not by their jobs (McClelland & Burnham, 2003).

People with high need for achievement are called achiever and tends to avoid both low-risk and high-risk situations. Low-risk situations are avoided since success in these kinds of situations is easy obtained and is not regarded as highly as success in other situations. High-risk situations are avoided since success in these kinds of situations is viewed as luck or chance. Instead for low-risk or high-risk situations a person with high need for achievement would rather want work with moderate probability of success. Achievers prefer to work alone or with other achievers (*ibid.*).

People with a high need for affiliation have a need to be accepted by other people, they also need harmony in their relationships to other people. People with a high need for affiliation
often embrace and adopt norms and values from other members of their work group. Jobs with high levels of personal interaction, such as customer service jobs are preferred by people with high need for affiliation (ibid.).

Power need is divided into two types: institutional power and personal power. People who have a high need for institutional power want to organize other people. They want to organize other people way of doing their job in order to stimulate the goals of the organization. People with a high need for personal power have a need to command others with authority. Managers with a high need for personal power are often perceived less desirable than managers with a high need for institutional. The most effective managers tend to have a high need for institutional power (ibid.).

The theory says that people with different needs should be motivated differently. People with a high need for achievement should receive a lot of feedback. Money is an effective form of feedback for these people. Achiever also needs challenging task in order to be motivate, however the goals cannot be too far away, they need to have reachable goals. The people with high need for affiliation are motivated and perform best if they are working in a cooperative environment. The last kind of people, are the ones with high need for power, they will be motivated if they are allowed to manage other members of the organization. It should be noted that the needs are not unchangeable, people may change their needs it they receive a lot of training (ibid.).

3.4.3 Vroom’s Expectancy theory
The expectancy theory by Vroom (1995) does not focus on needs, instead it focuses on outcomes. Vroom (1995) claims that motivation must be linked to outcome, performance and effort. The three components of the expectancy theory are: Valance, Instrumentality and Expectancy (Vroom, 1995).

Valence refers to how much the individual wants the outcome or how much he/she values the reward (ibid.).

Instrumentality is beliefs about if an individual meets the performance expectations, he/she will be rewarded. Good performance will lead to a reward (ibid.).

Expectancy is beliefs on how effort will affect performance. The beliefs are based on experience and self esteem (ibid.).
The theory says that the product of these three variables is the motivational force. The individuals change their effort input regarding to the individual satisfaction of the outcomes from that effort. Vroom (1995) claims that managers should use a system with rewards very closely connected to performance in order to enhance motivation and by that also the outcome of the organisation. It is important that the rewards are adjusted to and wanted by the employees (ibid.)

3.4 Summary of literature review: developing a model

A model has been developed and was tested on three Swedish companies. The model is based on literature studies and earlier established theories which are combined with each other. The aim is to get an understanding of what really influence the behavior of Eastern employees and how Western managerial practices should be performed in an efficient way. Parts of the model were tested on Swedish firms. The model was then quantitatively tested on a Chinese population. The model consists of two different perspectives, the Western managerial perspective and the Eastern employees’ perspective as well as a tool for overcoming these differences.

Since different theories have been put together into one model, it is necessary to explain each part of the model. This is done in order for the reader to easily understand the gap between Western managerial practice and Eastern employees’ behavior, as well as how the two different cultures can integrate with each other. It will hopefully be a tool for understanding of these two different cultures which will lead to an outcome of increased motivation of employees.

3.4.1 Cultural Dimensions, Nominal and Systematic Differences

Hofstede’s Cultural Dimension as well as Graen and Hui’s Nominal and Systematic Differences are used in the model in order to realize cultural differences between the Western and the Eastern cultures.

In an individualistic culture, like the Swedish one, decisions are often made in an individualistic way, which means that one person can have the whole responsibility for an organization’s success or failure (Trompenaars, 1995). That is a big difference from the collectivistic culture that China has adopted.
The Chinese business culture is mostly impregnated by the collectivistic way of thinking. These values will be even clearer while studying how Chinese people behave or act while meeting other people. In the Chinese business culture people are described as a social group, more than an individual. A person is seen as a part of a society or cultural environment (Hofstede, 1984).

The Swedish country is classed as a feminine country. According to World Economic Forum, Sweden was top rated in equality from a men and women influence perspective (World Economic Forum).

China on the other hand is highly ranked on the masculine scale (Hofstede, 1996). Leadership in China is often done by one man, and the CEO has all power. The typical leader in China is expected to be very determinant and authoritarian (Miles, 2000). An example of that women are not valued as high as men in China, is the fact that even if the women have a high education, they are systematically prevented from top positions as CEO. Instead, Chinese women are offered jobs which include reasonable salary or benefits according to their tasks (Luthar & Luthar, 2008).

Sweden is a country with a low degree of power distance (P.D) and has a low difference between the highest and the lowest standard of living (Hofstede, 1980). Most Swedish people believe that all citizens are equal to the laws and the regulations that are stated (Bjerke, 1998). It is not acceptable to put much emphasize on power or wealth in Sweden, this mentality is an unwritten social rule, but the main thing is that no one should think that he/she is more important than another person (Phillips-Martinsson, 1992).

China has a high level of power distance which can be related to that employees do not often argue with their employer and that employees rarely trust each other (Hofstede, 1996). Chinese top managers or CEOs are expected to act in an authoritarian way, have strong opinions and a clear view of the future and goals. This becomes even clearer because many of the big Chinese companies are family companies with a charismatic and obvious leader as a front figure (Bjerke, 1998).

Sweden has a low degree of uncertainty avoidance (U.A) since people do not often show their feelings. That is because the Swedish society in general believes that it is somewhat dishonorable to brag (Phillips-Martinsson, 1992). Studies have shown that the Chinese society has a higher level of U.A than the U.S (Chinta & Capar, 2007; Hofstede, 1984). Other studies
have also shown that the U.S has a higher level of U.A than Sweden (House et al. 2004). Due to those studies, one can assume that China has a higher level of U.A than Sweden, which is shown in the model as well.

The most extreme nominal difference between countries is when the languages have completely different origins (Graen & Hui, 1996), this is the case of Swedish and Chinese (Mandarin). Social rules affect the way people act and think. In China for instance, keeping face, family and social relationships are highly valued. Many western cultures, on the other hand, rely on a high degree of formal and legal agreements (Ho, 1976).

### 3.4.2 Role Expectations and Role Behavior

It is crucial that the variation between the role expectations and the role behaviors are low (Katz & Kahn, 1966). Earlier scholars have shown that foreign companies have experienced problems and variations between role expectations and the role behaviors in their operations in China (Graen & Hui, 1996; Jackson & Bak, 1998).

In order to reduce risks and uncertainty, organizational rules and procedures should be well documented and communicated. This is done by informing the employees about rules of conduct, parameters and scope of their jobs as well as the expectations on them in terms of quality and performance. All of this will provide a sense of security for the employees. The sense of security for the employees has its origin in defined roles and rules. To define rules and roles for Chinese employees, some recommendation for managers have been done:

- The employees should be provided with clear instructions as well as clear job descriptions for their tasks. The clear descriptions and instructions will provide a higher confidence level for the employees. When both confidence level and experience have grown, employees can participate in decision-making processes which will produce higher levels of motivation.

- Confidence shall also be raised with goal setting and praise (Jackson & Bak, 1998).

### 3.4.3 Management know-how and Employee skills

According to the Resource Based View, there are numerous of kinds of resources which can create sustainable and competitive advantages (Wernerfelt, 1984). Earlier studies have shown that people within the company are the most valuable asset to the company. Scholars also argue that intellectual capital, such as management know-how can lead to wealth creation for companies. This wealth creation within the firm can be seen as a sustainable resource as well
as value adding to the firm (Armstrong, 2006; Riahi-Belkaoui, 2003). However, it is not only managers that can be seen as a valuable asset, it has also been shown that employee skills can be a highly valuable asset on which to build a sustainable competitive advantage. Organizational success relies on the skills and abilities of employees; this is a fact that has been gradually realized by employers. This has led to considerable and continuous capital investment in development and training of personnel. Employer realization of the importance of employees has also led to a rise of human resource management with a focus on employees and their skills in an enhancing of organizational efficiency (Morrow, 2001).

3.4.4 A proposition to a solution

Poor cross-cultural management tend to create employment dissatisfaction and result in suboptimal performance (Kraimer et al., 2001; Shaffer & Harrison, 1998). It has been shown that the behavior and attitudes that managers have are strongly influenced by their own culture (Mason & Spich, 1987). Earlier scholars claim that the biggest challenge regarding cross-cultural management is to facilitate how people with diverse cultures work together (Child, 1994; Shaw & Meier, 1993).

The model in this dissertation purposes a “solution” to overcome cultural differences between Western managers and Eastern employees. The solution purposed is a combination of the two theories of “third culture” and “cooperation and competition”.

3.4.5 The “third culture”

The idea of creating a “third culture” is to integrate two different cultures into a new “third culture”. This new culture will be built upon incorporate fundamental characteristics of both cultures (Graen & Hui, 1996).

Earlier scholars have shown that international joint-ventures in China which have developed a “third culture” have expressed greater company commitment than those who have not (Graen & Hui, 1997; Trompenaars, 1995). However, to develop a “third culture” with Chinese employees have been difficult and require “cultural insiders”. “Cultural insiders” are individuals within an organization who understands and welcomes other cultural values. In the case of developing a “third culture” in China, “cultural insiders” need to have a transcultural understanding of the differences between personal relationship (guanxi) and the western business networks (Graen & Hui, 1997).
3.4.6 Cooperation and competition

The Theory of Cooperation and Competition states that the way goals are structured determines how individuals interact as well as the outcome of those interactions. There are three alternatives to how goals are structured; cooperation, competition and independence (Johnson & Johnson 1989; Deutsch, 1973, 1949). In this dissertation only the cooperation alternative is suggested. With the alternative cooperation, individuals believe others success helps their own success when cooperating towards common goals. With common goals, employees view conflicts as a something that affects all of them negatively which tends to result in that people help each other to avoid conflicts and problems (Chen & Tjosvold, 2008).

Chen and Tjosvold (2008) have studied leader-member relationships between foreign managers and Chinese employees. Their results supported not competitive, neither independent goals, but strongly cooperative goals since they were found to help foreign managers to develop a quality relationship with Chinese employees. The findings also supported that Chinese employees can develop cooperative goals with foreign managers, even though they have different cultural backgrounds and job status. This kind of goals, which develop a strong relationship between foreign managers and Chinese employees are the foundation to overcome their cultural distance (ibid.).

The Chinese employees perform well and are committed to their organization if they have developed a good relationship with their managers. The foreign managers are viewed as effective leaders and Chinese employees look forward to future collaboration when a personal relationship is established. Chinese employees were much more likely to develop personal relationships with their managers when they believed that they shared a cooperative goal. These managers and employees relationships have been shown to help Chinese employees to feel committed, motivated and willing to contribute to their organization. This will lead to a better organizational performance (ibid.).
Three hypotheses were tested in order to compare the Eastern employees and Western managers view on the model and motivation of Eastern employees.

H1. The “third culture” as a management tool will have an influence on employee motivation

H2. Cooperative goals will have an influence on employee motivation

H3. Clear goals and rules will have an influence on employee motivation
4. Empirical method

In the Empirical method chapter, research design and strategy, time horizon, data collection, sample selection, operationalization, reliability and validity are discussed. The chapter ends with a discussion about generalizability.

4.1 Research design and strategy

According to Yin (2003), there are three main types of research design, those are; exploratory, descriptive and explanatory (Yin, 2003). The first research design, exploratory, is often used to clarify one’s understanding of a certain problem. This type of research is both adaptable to changes and flexible. Those two characteristics are the advantages of this type of research. The second research design, descriptive, is used to accurately describe a situation, a person or an event. When using a descriptive research, it is necessary to have pre-knowledge about what is being investigated (Robson, 2002). This descriptive research can sometimes be a part of either an exploratory or an explanatory research. It can also be an independent research (Saunders, Lewis & Thornhill, 2009). The third and final research design, explanatory, is most commonly used when describing relationships between variables and how they affect each other (ibid.). It can also be used to explain patterns or relationships between aspects of the phenomena researched (Robson, 2002).

The purpose of this dissertation is to explore the gap between Western managerial practices and Eastern employees’ behavior. Hence, an exploratory research design is being used in this dissertation. The reason for the use of this design is that it will hopefully create understanding about the gap between Western managers and Eastern employees. Since, this gap has not earlier been clearly defined there is a need for insight in this “problem”. The research design chosen will also be appropriate since this study has a research question that tries to explore how practices influence behavior as well as achieve knowledge from in depth-interviews from case studies. Hopefully this study can provide valuable information which can be used in a larger study in the field.

Saunders et al. (2009) claim that choice of research strategy can be divided into seven different subcategories: experiment, survey, case study, action research, grounded theory, ethnography, and archival research (Saunders et al., 2009). Each and every one of these
alternatives can be used for an exploratory, descriptive or explanatory research design (Yin, 2003).

In this dissertation, both the strategies of case study and survey will be used. A case study strategy will be used in order to gain a rich understanding in the field of study (Morris & Wood, 1991). Advantages with case studies are that they can generate descriptive answers to questions, for examples why, what, how. There may be various data collection techniques in case studies (Saunders et al., 2009). In this dissertation, the choice of technique is interviews in order to get in-depth understanding of managers’ beliefs in the field of study. The data gathered from interviews will be tested on a Chinese population.

A survey strategy will also be used in order to analyze and describe quantitative data. A large amount of standardized data from a large group of respondents can be gathered when using survey strategy (Saunders et al., 2009). Since this dissertation also tries to test the model developed and make limited generalizations from the result, a survey strategy is also appropriate. The reason is not just to test the developed model; it is also to see two different perspectives, on one hand the Western managerial perspective and on the other hand the Eastern employee perspective.

4.2 Time horizon
When performing a research study, there are two different types of time horizons, longitudinal and cross-sectional. The longitudinal time horizon is used when studying a phenomenon over time. One advantage with this time horizon is that one can witness change over time. The cross-sectional time horizon, on the other hand, is more of a snapshot of the phenomenon (Saunders et al., 2009). However, the cross-sectional time horizon was used, since the study was performed in this particular time and due to the fact that this study has time constrains. Saunders et al. (2009) point out that when perform interviews over a short period of time, a cross-sectional study is appropriate. When identifying relationship among and between different variables, this type of time horizon will be used. Establishing causal links can be done when looking at patterns of relationships between variables. The variables investigated in this study are needed to find an answer to this dissertation’s research question. According to Robson (2002) this design is also the most commonly used in social research (Robson, 2002).
4.3 Data collection

There have been two different types of data collection in this study, one type for the case studies and one type for the survey.

4.3.1 Data collection for the case studies

When choosing a data collection method one should look at the research question and objectives of the study. The chosen method should allow you to collect data which is valid for the study. Data collection is divided into two main categories: primary (collecting new data) and secondary (already collected data) data collection. The collection of primary data can be done by observations, interviews and questionnaires. Secondary data collection is divided into three subcategories: documentary, multiple source-based and survey-based data (Saunders et al., 2009).

Since an exploratory research design is used in this dissertation, it is appropriate to use a primary data collection. Our first data collection is based on non-standardized in-depth interviews (ibid.). This dissertation tries to understand the thoughts and believes of Western managers about motivation. In depth interviews can provide helpful information to understand what is happening from a management perspective (Robson, 2002). The most common way to perform a non-standardized interview is face-to-face. However, in order to gain access, speed and or lower cost, interviews can instead be performed via telephone. In this dissertation both face-to-face and telephone interviews were used. The main reason for conducting telephone interviews is the fact that some of the respondents are located in China, which makes face-to-face access problematic; long distances and a small research budget make telephone interviews with managers, who are located in China, an appropriate choice. For the managers located within close physic distance, face-to-face interviews were performed instead. The reason to perform face-to-face interviews is that it enables the interviewer to witness non-verbal behavior of the respondent (Saunders et al, 2009).

4.3.2 Data collection for the survey

As mentioned before in this dissertation, a survey was performed. Robson (2002) claims that questionnaires are not a good way to conduct exploratory research, since this type of research require open-ended questions (Robson, 2002). However, the reason for performing a survey in this dissertation was to test the findings from the interviews and develop concepts which were tested on a population. It is necessary to hear potential Eastern employees’ perspective
regarding motivation. By testing the findings on an Eastern population, another perspective concerning motivation was revealed. Will the views of the managers and the Eastern population be the same, or will there be a gap, regarding motivation of Eastern employees. If there is a gap, can the theory about the “third culture” or the theory about “cooperation and competition” be a tool to fill this gap. This is what the survey tries to seek answers to.

The type of questionnaire that was used is self-administered delivery and collection questionnaire; which means that the questionnaire was handed to the respondents and later collected once the respondents had completed them. The choice of self-administrated questionnaires is based on the fact that the respondents are being anonymous. Anonymous respondents will hopefully have a positive effect on the response rate and the reliability. Other advantages with the usage of this type of questionnaires are that they are less time consuming and less expensive than interviews (Saunders et al., 2009).

### 4.4 Sample selection

There have been two different sample selections in this study, one for the case studies and one for the survey.

#### 4.4.1 Sample selection for the case studies

Sometimes it may be possible to collect and analyze every single case or member of a group; this is called census. However, this is not very commonly used, due to restrictions of time, money and access (Saunders et al., 2009). Henry (1990) points out that using sample rather than using whole populations can sometimes be more accurate. The reason is that one can achieve more detailed information and spend more time on analyzing data instead of spending time on collecting data (Henry, 1990).

According to Bryman and Bell (2007) sampling of information can be done in many different ways and it will be either by probability samples or by non-probability samples. Probability sampling refers to the selection of sample which have been randomly selected. The main types of probability sampling are simple random, systematic, stratified random and multi-stage cluster sampling (Bryman & Bell, 2007). Non-probability sampling methods on the other hand are for example quota, snowball, purposive, self-selection and convenience sampling (Saunders et al., 2009).

In this dissertation, two different sampling frames which both are non-probability sampling techniques were used, one for the interviews and another for the survey. The frame for the
interviews was Swedish companies which are established in China and have Chinese employees. The choice of companies was a combination of purposive sampling and convenience sampling. The respondents in the interviews were either the CEO, or if available, the manager of human resource (HR). The choice of companies to be investigated in this dissertation was based on two facts. First, was the fact that this dissertation tries to look at companies from different sectors in order to avoid industry specific characteristics. The second fact was the choice of small and mid-sized companies, since they represent 78 percent of the Swedish companies established in China (Lundgren, 2010).

4.4.2 Sample selection for the survey
The participants in the survey study were international exchange student from China studying at the University of Kristianstad. They were used as representative, for Chinese employees, since they have been born and raised in China and probably have “Chinese values” and Chinese culture. This population was selected because they will become Eastern employees in a near future. The reasons for not using participants already working in an organization were that it increases the risk that the participants were influenced by a certain organizational culture. This organizational culture may affect the answers from the participants. One thing to bear in mind, though, is the fact that all participants in this survey are students at the same university and this may have an impact on the answers. The choice of Chinese student at the University of Kristianstad was a combination of self-selection sampling and convenience sampling. This was done, because it is almost impossible to make every Chinese student answer the questionnaire and the fact that it is much easier to investigate people nearby than travel to China. Other reasons for not using Eastern employees were the time horizon and financial limitations for this study. Earlier scholars have used students as sample groups for surveys when investigating for examples the influence of ethnic diversity on leadership, group process and performance and culturally diversity in groups (Umans, Collin & Tagesson, 2008; Watson, Johnson & Zgourides, 2002; Watson, Johnson, Kumar & Critelli, 1998; Kumar & Michaelsen, 1993). This is another argument for the choice of students as sample group. Peterson (2001) did not discover any systematic patterns to the differences observed between students and non students in his study “On the Use of College Students in Social Science Research”. However, he argues for the importance of replicating studies performed on students on a non student population before making any generalization (Peterson, 2001).
4.5 Operationalization

Deductive research needs to be operationalized in order to be able to measure concepts quantitatively. When operationalizing, problems are reduced to the simplest possible elements to provide a better understanding of the concept (Saunders et al. 2009). To increase the reliability and validity, both independent and dependent variables need to be defined. This dissertation has two different operationalizations, one for the case studies and one for the survey.

4.5.1 Operationalization for the case studies

Questions for the interviews aim to test the developed model, therefore, it is necessary to ask questions regarding all theories within the model.

Questions regarding Cultural Dimensions and Nominal and Systematic Differences

First, questions about cultural differences will be investigated. Those questions are connected to Hofstede’s Cultural Dimensions as well as to Graen and Hui’s Nominal and Systematic Differences. Questions will investigate those parts in the developed model, those are: individualism/collectivism, feminine/masculine, degree of power distance, degree of uncertainty avoidance, social rules and language. The questions regarding these parts of the developed model are as follows: What kind of differences/ similarities do you find between you and Chinese people? Give some examples regarding differences and similarities between Chinese employees and Swedish employees? How do you manage cultural diversity in the company and how does this affect your daily work as a manager?

Questions regarding role expectations and role behavior

Questions regarding role expectations and role behavior are investigated, those questions are: How do you communicate goals and expectations to Chinese employees? Can you recognize any differences in what is expected to be performed by the Chinese employees and what really is performed? (Give examples)

Questions regarding management know-how and employee skills

Management know-how and employee skills questions are: What is the most important contribution your Chinese employees make to your company? What is the most important contribution you as a manager makes to your company?

Questions regarding the “third culture” and the Theory of Cooperation and Competition
In order to test and investigate the part of the model which is based upon the theory about “third culture” and the cooperation part of the theory “Cooperation and Competition”, managers will be asked questions regarding those theories. Those questions are: Have any compromises been made in order to reduce the gap between the two different cultures? What type of goals do you use (cooperative or competitive) in your company?

**Questions regarding motivation of Eastern employees**

At the end of the interviews, managers view on what motivate Eastern employees will be investigated. Motivation is hard to define and is therefore, also hard to measure. However, since motivation are closely connected to job satisfaction and organizational commitment (Pool and Pool, 2007; Basset-Jones and Lloyd, 2005; Chen et al., 2004; Lok and Crawford, 2004), the following questions are appropriate to measure motivation: What do you believe affect the job satisfaction of Chinese employees? What have been done to affect the job satisfaction in your company? What do you believe affect the commitment of Chinese employees? What has been done to effect the commitment of your Chinese employees?

**4.5.2 Operationalization for the survey**

The survey is based on a questionnaire which consists of three parts. In the first part of the questionnaire (question 1 to 4) the respondents were asked to supply information about their demographics. In the second part (question 5) the respondents were given a list of eight different motivation factors. The respondents were asked to rank the motivation factors from most important to least important. The third part of the questionnaire (question 6 to 11) consists of question regarding the theory of the “third culture”, the Organizational Role Theory, communication and the Theory of Cooperation and Competition.

Certain demographic questions were asked. This in order to make sure that the findings were not affected by any other factors than the motivation factors described above. Demographic factors in this survey are gender, province of birth, age and years of work experience.

**Gender**

The reason to ask questions regarding gender is to explore if there are any differences in motivation factors between males and females. Earlier studies have shown some indications on differences of motivators between the genders (Islam & Ismail, 2008; Kavanaugh, Duffy & Lilly, 2006). This question can be found in Appendix 1, Q1.
**Age**

Islam & Ismail (2008) have also shown that different age groups have significant differences between what motivates them (Islam & Ismail, 2008). Therefore, this survey looked at what age the respondents have. This question can be found in Appendix 1, Q2.

**Place of birth**

Since the respondents to this survey are all Chinese, it was no need to ask a question regarding nationality. However, due to the fact that China is a huge country, with varieties in living standards and wealth depending on different locations in the country it is necessary to ask the respondents in which province they were born. Therefore, this may have an impact on what motivates different people from different locations. This reasoning was also supported in one of the conducted interviews, where differences in motivation have been noticed between the region of Inner Mongolia and the urban city of Shanghai. This question can be found in Appendix 1, Q3.

**Job experience**

Years of experience have been shown to be associated with job satisfaction, which is closely connected to motivation (Pool and Pool, 2007; Basset-Jones and Lloyd, 2005; Chen et al., 2004; Lok and Crawford, 2004). Kavanaugh, Duffy and Lilly (2006) have shown in a study that there is a relationship between job satisfaction and years of employment, at least within the healthcare profession (Kavanaugh et al., 2006). This result may not be tied just only to the healthcare professions and this is a reason to why a question regarding numbers of job experience was asked. This question can be found in Appendix 1, Q4.

**Question regarding motivation factors for Eastern employees**

Survey questions to an Eastern population was done in order to explore what type of motivation factors that are most important, seen from an Eastern perspective. When developing a questionnaire the questions was based on earlier in-depth interviews with Swedish managers and how they believe they should motivate their Eastern employees. Interviewees have responded that they believed money, other benefits (such as accommodation, food and transport), career opportunities, achieving goals and other activities (eg. Table-tennis and basketball) are factors that have an impact on Eastern employees’ motivation.
In order to make sure that those motivation factors are the ones that really motivate the Eastern employees, this survey considered factors discovered in earlier studies as well. Scholars have pointed out other motivation factors that have not been mentioned in conducted interviews. Those factors were also tested and are: good working conditions, job security and appreciation of work done (Islam & Ismail, 2008). Motivation factors, both from earlier studies and the ones which were found in interviews with Swedish managers are dependent variables. All of these factors, both the ones discovered in the interviews and the ones discovered by earlier studies were investigated. The participants in the survey were asked to rank all of the motivation factors in an ordinal scale from one to eight. This provided statistics of what motivation factors the participant in this study found most important. The exact question was: “When you think of your future employment, how important are the following factors to you?

☐ To receive a good salary
☐ Other benefits (such as accommodation, food, transport)
☐ To be given career opportunities (chance for promotion/and/or learning new things)
☐ To have good working conditions
☐ Job security
☐ Appreciation of work done
☐ Achieving goals
☐ Activities at work (such as table-tennis, basketball et cetera)

Please rank them where 1 = Least important 8 = Most important”. This question can also be found in Appendix 1, Q5.

Questions regarding the “third culture”

Questions regarding the “third culture”, developed by Graen & Hui (1998) were asked in order to investigate if the population group find it important that their own culture is accepted and integrated with the Western culture. Compromises to the two different cultures need to be taken into consideration and in that way “enhance the best parts out of the two different cultures” as said in one of the in-depth interviews. Working in a multicultural organization can create different mind-sets, and therefore it may be important to have transculturals within this type of organization. Transculturals are, as mentioned before, individuals that accepts and adapt different cultural values; it could for example be the managers within an organization. The exact questions were: “If you have a non-Chinese manager when working in an organization, how important is it that he/she understands your culture? Please grade from 1 -7
with a circle. 1= Not important, 7= very important” and “Let us say you were working in an organization with both non-Chinese and Chinese employees. How important is it then for you that people within this organization accept cultural differences and make compromises to the two different cultures? (That is to say, one culture is not dominating over the other culture). Please grade from 1-7 with a circle. 1= Not important, 7= Very important”. Those questions can also be found in Appendix 1, Q6 & Q7.

Question regarding role expectations and role behavior

Earlier studies have shown that clear rules and goals are needed when working with Eastern employees (Jackson & Bak, 1998). This fact has also been confirmed in the interviews. These are the reasons for the question regarding role expectations and role behavior. The exact question was: “If you were working for an organization, how important is it for you to have clear rules and goals? Please grade from 1-7 with a circle. 1= Not important, 7= Very important”. This question can also be found in Appendix 1, Q8.

Question regarding communication of goals

In all of the in-depth interviews, communication of goals was mentioned as crucial. This is the reason to the question regarding the importance of how well the goals are communicated by managers. The exact question was: “If you were working for an organization, how important is it for you that these goals are clearly communicated to you by your managers? Please grade from 1-7 with a circle. 1= Not important, 7= Very important”. This question can also be found in Appendix 1, Q9.

Questions regarding the theory of cooperation and competition

Earlier scholars have pointed out that Eastern employees are more committed to their organization when they are working with cooperative goals (Chen & Tjosvold, 2008). This fact was also supported in all interviews performed and is a reason to the question asked about what type of goals the respondents prefer. Cooperative goals and competitive goals are therefore dependent variables. The exact questions were: “If I were working in an organization I would prefer shared goals with my fellow employees. Please grade from 1-7 with a circle. 1= Disagree, 7=Agree” and “If I were working in an organization I would prefer to have my own individual goals. Please grade from 1-7 with a circle. 1= Disagree, 7=Agree”. Those questions can also be found in Appendix 1, Q10 & Q11.
4.6 Analysis methods for the survey

Bivariate correlation (Pearsons) will be done in order to test the relationship between the different variables. By doing this test, one will interpret and estimate a correlation between different variables (Acock, 2008). The correlation coefficient, r, will indicate whether the relationship between the variables are statistically significant. Two important requirements for Pearson’s correlation coefficient are; Firstly, that the data consists of interval or ratio variables. Secondly, that the variables are normally distributed (Larson & Faber, 2004). Mean values of the independent variables have been calculated and ranking of the different motivation factors have been done.

4.7 Reliability

If data collection techniques or analysis procedures will result in consistent findings is a question about the reliability of the study (Saunders et al., 2009). Robson (2002) argues that there are four main threats which can reduce the reliability. The first threat is subject or participant error, which refers to the fact that different results can occur due to which time the research is performed. For example, a person may answer different to a question, depending on what time the question is asked. To reduce this error, “neutral” time for the data collection should be chosen. The second threat is subject and participant bias; a respondent’s answer may be influenced by his/her believes of what others want him/her to answer, this is particularly a problem in an authoritarian organization. A way to reduce this threat is to ensure anonymity of the respondent. The third threat is observer error refers to the fact that various observers can have a negative impact on the data collection. For example, one observer may not direct the question in a way as another observer might have done. This problem can be reduced by having highly structured interviews or by using the same observer for all interviews. The fourth and final threat is observer bias; different observer may interpret answers differently, this will affect the reliability negatively. A way to overcome this error is to have trained observers (Robson, 2002). Bryman and Bell (2007) have another view of how to measure reliability. They argue that reliability is dependent on three factors: stability, internal reliability and inter-observer consistency. With stability, Bryman & Bell (2007) refers to if the study can be replicated and if the results will be the same if performed in another time. Internal reliability refers to if the variables measure the same thing. Inter-observer consistency is closely connected to what Robson (2002) calls observer bias. Once again, it concern with the risk of having various observers conducting data collection (Bryman & Bell, 2007).
During the interviews which were done in this study, there was only one person who acted as an interviewer. This was done in order to reduce the variety of comments, tone and non-verbal behavior, which can affect how the respondent answer the questions. The same observers also cooperatively analyzed the data in order to reduce observer bias errors. By cooperatively analyzing the data and make sure that both observers got the same idea about what the interviewee said, increased the inter observer reliability. Another problem with interviews is sensitive information and the fact that the interviewee may not be willing to reveal or discuss certain topic that the interviewer wants to explore. A way to overcome this problem in this study, were to offer all respondents the opportunity to be anonymous. By being anonymous, respondents are more likely to answer to sensitive information and have no intensions to put themselves in a “desirable role”. As Saunders et al. (2009) point out, when performing in-depth interviews “prior planning prevents poor performance” (Saunders et al., 2009, p. 328). This fact was taken into consideration; the interviewers were asked appropriate questions, pre-knowledge about the participating companies in the study were retrieved and all interviews were recorded. This was done in order to obtain confidence of the interviewees and raise credibility.

The surveys in this study was in form of what Saunders and his colleagues call delivery and collection questionnaires. This was done in order to achieve a high response rate. With this kind of questionnaire, the response rate can be as high as 98 per cent (Saunders et al., 2009). Pilot testing of the questionnaire was performed since this was of help to refine the questions so that there were no problems for the respondents to answer. Hopefully, this has also made the analysis of the data easier. Pilot testing enabled some assessment of the questions reliability as well as the validity (ibid.).

4.8 Validity

To prove that the research variables measure the correct concepts validity is needed (Saunders et al., 2009). This means that without high validity, the research may be seen as irrelevant in the area of study (Bryman & Bell, 2007). Bryman and Bell (2007) have stated four main types of validity. The first one is measurement validity; this investigates if indicators are valid in the sense of that they are measuring what really wants to be measured. The second type is internal validity, which refers to how relationships between variables can be drawn to conclusions. The third type is external validity, which refers to how well the results from the study can be generalized. The fourth and final type is ecological validity, which refer to which level one study over a group can be generalized into another group (Bryman & Bell, 2007; Saunders et
Bryman and Bell (2007) have developed five factors to use when determining validity. First, face validity is the minimum level of validity, it is enough that the measurement appears to measure the concept according to other people. Second, concurrent validity, within this factor the researcher use well-known criterion to describe a concept. The third predictive validity, the researcher instead employs a future criterion to describe a concept instead of a current criterion. The fourth factor, construct validity, within this factor the researcher use well established theories to create hypotheses which are relevant to the concept. The fifth and final factor is convergent validity. This refers to which level the measurement is similar to other used measurement in the same field. The higher the correlation between the different measurements is, the higher the convergent validity is (Bryman & Bell, 2007).

Constructed validity was used to create validity in this dissertation; a model has been developed with the help of well established theories (Bryman & Bell, 2007). The survey was also translated to Chinese (Mandarin) in order to avoid any possible language errors. Sometimes it can be problematic to translate questions so that the meaning of them is exactly the same in both languages. Therefore, the choice of translator who is fluent in both languages is crucial. For the survey made in this dissertation, the translator is fluent in Swedish, English and Chinese. In order to make sure that no mistakes were taken during the translation of the questionnaire, another person fluent in English and Chinese has read and made sure that it was correctly translated.

Operationalization was done in order to be able to test the developed model. When creating and testing the model, each and every concept within the model needed to be measured with certain questions.

4.9 Generalizability

Generalizability is to be able to apply the result of one study to a population. This is the goal of many scholars when performing researches (Bryman & Bell, 2007). Since a deductive approach is used in this dissertation it makes it possible to perform generalizations due to that this is one of the characteristics of this approach. However, a high number of respondents need to be collected in order to generalize the findings (Saunders et al., 2009).

It would be hard to make generalization of the findings from the companies participating in this study to all Swedish companies established in China. A reason to this is that there were only three different companies investigated in this study. A limited generalization from the
findings from the small group of Chinese population to a larger Chinese population is reasonable since the sample group was over 80 participants. However, the results from this study cannot be generalized to the whole population of the People’s Republic of China.
5. Results

In this chapter the results from the case studies are being presented. Three different summarizes can be found in this chapter, one for each in-depth interview.

5.1. Case study 1

Person A works as a lawyer and he is also part-owner in the company he works in. This company X, has about 700 employees around the world and operates in Sweden, Germany, Belgium, Russia, the USA, Hong Kong and China. Person A has been employed in this company since 1995 and has earlier work experience from Frankfurt am Main, Hamburg, Stockholm and Malmo. At the moment, he works at the Shanghai office where they have 15 employees, or more precisely, 12 lawyers and three persons working with support administration.

Person A describes that the biggest cultural differences between West and East are the degree of hierarchy, where the Eastern culture is more influenced by a high degree of hierarchy. He also points out that company titles and business cards are of higher importance in China than it is in the Western business culture. However, Person A claims that he believes that it is more important what a person accomplishes rather than what title this person has. Due to this fact, he always looks at what capabilities a person has, rather than title, and if those capabilities can be valuable to the company. Other cultural differences are that China has a very collectivistic way of thinking, according to person A. Person A says that his employees often engage together in different activities after work. Sometimes the personnel stay at the office in the evenings after they have finished their daily work. There is a need for collectivistic activities for the employees. This can for example be having a beer after work, says person A. The collectivistic mind-set becomes even clearer when it comes to how decisions are made in the company. Decisions are thoroughly discussed within the group before they are communicated to the managers. An example of this is the planning of employee vacation. The employees want to plan their vacation together and this can be a long process for them, claims person A. Therefore, it is crucial to hand out the information well ahead. One thing to keep in mind, is that the information which is given to the employees needs to be formal in order to be taken serious.

The decisions of the group are communicated to the managers through the oldest person in the group. The decisions are communicated as if they are the oldest person’s own opinions, due to
respect for age. Person A wants the employees to act and think independently, but this is something that needs to be practiced. He explains that new employees often do not think independently, instead, they tend to “copy” the managers’ thoughts and beliefs. Person A says that he does not want to describe these differences as problems, instead it is about learning and adopting to cultural differences. He also points out that it is important to have clear instructions for his Chinese employees.

Person A claims that his Chinese employees contributes with knowledge in Chinese law and great understand about the local culture. Therefore, he claims that his Chinese employees can act as “cultural insiders”.

When asked about what the Swedish managers contributes to the company, he mention two important things. The first is routine, since they have got experience of working in different cultures for several years. The second thing the Swedish managers contribute with is an individualistic thinking.

When discussing how to overcome cultural differences, person A says that “One needs to enhance the best parts out of the two different cultures”. He also says that it is important that one culture shall not dominate over another, with one dominant culture he believes that businesses will end up in failure. Person A claims that in his company they compromises between the two cultures and he describes this phenomenon as “symbiosis between the two cultures”.

Cooperative goals for the Chinese employees are the best type of goals, according to person A. To succeed with cooperative goals, communication between the employees is needed.

When asked about motivation, person A says that the number one thing for motivation in China is money. He also mentions that shared knowledge and career opportunities have a great impact on the motivation of Chinese employees. The possibility to be given a chance to advance within the company, grow with the company and developing new skills and capabilities will increase the loyalty and motivation, claims person A. In Company X, they allow the employees to participate and discuss the managers’ decisions. Person A believes that it is crucial to ask the employees about their opinion. This, in order increase their commitment to the company, or, as he describes it in his own words “to be something more than just labor”.

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5.2 Case study 2

Person B is responsible for quality and works as well as a project leader in some projects in for examples in Sweden, Latvia and China for his company Y. He has worked for company Y, which is a company in the food industry, since 1997. Company Y got around 300 employees and operates in Sweden, Latvia, Poland, The Czech Republic, Hungary, Slovakia, Russia and China. This company uses a different strategy comparing to what is commonly used in a multinational enterprises. Person B explains that their operation in China is totally built upon Chinese employees, both managers and all other employees. The Chinese managers reports to the Swedish CEO and head office in Sweden. This way of managing the company is a result of a reorganization in China, where the company after two years of inefficient operation in China decided to reorganize. With the reorganization all employees in China where fired and a new Chinese CEO where employed. This Chinese CEO has received education in Europe and has been influenced by Western culture and the Western individualistic way of thinking. This Chinese CEO had the opportunity to employ whoever he wanted in China.

Person B claims, however, that the reports from China are not as frequent as the reports from Sweden. The reports are mainly economic reports and they are hardly any reports regarding the daily operation. “In Sweden we are very used to record meetings, these records will be sent out within 24 hours. There should always be a recording. My experience from China is that this kind of reporting is very rare” says person B.

Person B has an experience of working a lot in China and he points out that a big difference between Chinese and Swedish employees are the way of performing assigned tasks. He claims that in China, people are more ineffective, they do not use a lot of tools, instead they use more people to perform a task. Person B also points out that there is a lack of initiatives among the Chinese employees and that they need clear instructions for their tasks. There have also been some language issues during the startup of the operations in China. Swedish managers have had a hard time communicating with the employees in China since many of the employees do not speak English. There have been especially much language issues at the factory in Inner Mongolia where person B has spent a lot of time.

The hierarchical order is very authoritarian in the Chinese part of the company, says person B. This fact has reduced the differences between what is expected and what is performed by the employees. This works out well for company Y, compared to before the reorganization.
Swedish managers contribute with maintaining good relationships with employees and clients. Giving the employees clear instructions and continuously follow-ups are other examples of things they contribute with, says person B. Other contributions are contact, stability and routine, says person B. He claims that if their operation in China had been fully independent, then it would probably result in failure of the Chinese operation.

When asked about what the Chinese employees contributes to the organization, person B mentions a Chinese girl who works at the Shanghai office. She has got previous working experience from Europe and understands both Western and Eastern culture. Person B points out that they have tried to change the mind-set of their Chinese employees, in order to think in a more individualistic which hopefully can result in a higher effectiveness. Company Y also tries to communicate what they call “Western values” in terms of innovative and preventing thinking, the view about quality and the importance of working more independently. An example that person B points out regarding preventing thinking is;

The employees brush the dust of the products every day, since they have dust on them every morning. Why are the products dusty? It can be the fact that a filter does not work…this is something that I see as a big difference, but it could be based on the fact that they are very tightly controlled by their manager. Someone needs to inform them exactly what to do. The employees are not allowed to think by themselves.

The Chinese managers have a tight control over the employees; this may reduce the impact of the so called “Western values” which are being communicated. Overall person B thinks that the Chinese employees have adapted themselves to the Western culture.

When asked about what kind of goals they use for their Chinese employees, person B responds that they use cooperative goals. Working towards cooperative goals in terms of productivity and quality creates fellowship among the employees. These goals are communicated with signs and clear instructions, claims person B.

Regarding job satisfaction and motivation it differs a lot from one location to another, according to person B. What motivates a Chinese person working in a modern city like Shanghai, may not be the same as in the more rural areas like in the western China, claims person B. For example he has noticed that in Shanghai people are motivated by personal success and career opportunities. In company Y’s factory located in Inner Mongolia employees are instead being motivated by privileges such as accommodation, transport to and from work and the arrangement of spare-time activities that creates fellowship and well-being.
among the employees. Some examples of spare-time activities are basketball court and table tennis.

5.3 Case study 3

Person C is CEO in company Z, and since three years he is also part-owner in this company. He manages his employees with clear expectations but is a bit dissatisfied with how they control their follow-up work. Company Z is a trading company with five employees and has operations in Sweden, China and Taiwan. They have one employee in China and one employee in Taiwan, where the Taiwanese employee manage the Chinese employee while the Swedish managers are managing the Taiwanese employee.

When asked about cultural differences, person C mentions that Chinese people has a fear of losing face, this is something one have to be aware of when criticizing a Chinese employee, says person C. Another difference that person C points out is that there is another way of thinking in China compared to Sweden. There is a problem of thinking “outside the box” and seeing “the big picture”. By giving them clear instructions and weekly meetings between the employees in the three countries, person C hopes to help the Eastern employees to understand and see “the whole picture”. Clearly communicated goals and expectations for the Eastern employees is necessary, claims person C.

Generally, Eastern employees have another view on quality and efficiency than people in Sweden, says person C. He also points out that a Chinese way of thinking is; the faster a task is being performed the more efficient they are. However, sometimes there is a lack of quality and things have to be performed all over again which means that it is not that efficient. Person C says that “It may be better if it takes a little bit longer time and is done right from the beginning”. Company Z has also experienced different views on contracts, in China it is acceptable to make changes in the contracts later on, while in Western countries on the other hand it is not acceptable.

The most important things that the Swedish managers contribute to the organization are information and management. Giving clear goals and clearly communicate to what have to be done and what is wanted to be achieved is crucial says person C.

The key to overcoming cultural differences, according to person C, is communication. Something to keep in mind is that there is a fear of losing face in China. One has to accept that there are differences between Western and Eastern cultures and this is something that
both the Western managers and Eastern employees have to accept, says person C. This is handled with much communication within the firm.

We work with cooperative goals, follow-ups and feedback, says person C.

The number one thing that effects the job satisfaction among the Eastern employees is how well they achieve their goals, claims person C. When Chinese persons achieve their goals they achieve job satisfaction as well, says person C. Once again, communication is a key factor to increase the commitment of the Eastern employees.

5.4 Summary of the results from the case studies

In table 1 below, the results from the case studies regarding cultural differences are summarized. Column two to five (from the left side) represent Hofstede’s four Cultural Dimensions: collectivism, masculinity, power distance and uncertainty avoidance. Column six and seven represent two additional parts of cultural differences, found in Graen and Hui’s theory about Nominal and Systematic Differences. A checked box means that the theory/part of theory which is represented by the column has been confirmed by the interviewee.

<table>
<thead>
<tr>
<th></th>
<th>Collectivism</th>
<th>Masculinity</th>
<th>Power distance</th>
<th>Uncertainty avoidance</th>
<th>Language issues</th>
<th>Social rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company x</td>
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<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Company y</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Company z</td>
<td></td>
<td></td>
<td>✓</td>
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<td>✓</td>
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</tbody>
</table>

In table 2, below, results from the case studies regarding the theories of Organizational Role Theory (Column 2), Resource-Based View (RBV) (Column 3 & 4) and the “third culture” (Column 5) is presented. A star in a box means that the interviewees have understood and use the concept in their organization.
In table 3, below, the results regarding the type of goals the companies in this study use are presented. Columns 2 to 3 are regarding the Theory of Cooperation and Competition (Deutsch, 1949). During all interviews, one new concept was mentioned, communication. Communication where pointed out to be something that is very useful when operating with foreign employees. A dot in a box means that the company uses this method which is represented by the column.

Table 3 – Type of goals and communication

<table>
<thead>
<tr>
<th></th>
<th>Cooperative goals</th>
<th>Competitive goals</th>
<th>Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company x</td>
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<td></td>
<td>●</td>
</tr>
<tr>
<td>Company y</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Company z</td>
<td>●</td>
<td></td>
<td>●</td>
</tr>
</tbody>
</table>
6. Analysis

Analyses and empirical findings of both the in-depth interviews and the survey will be found in this, the 6th Chapter.

6.1 Analysis of case studies

The first part of this chapter will be the analysis of the case studies. The analysis is based on the results from the in-depth interviews.

6.1.1 Analysis of the cultural differences in table 1

This is an analysis of the cultural differences: collectivism, masculinity, power distance, uncertainty avoidance, language issues and social rules. The analysis is based upon the results which can be found in table 1 in the result chapter.

**Collectivism**

Hofstede (1984) claims that the Chinese society is impregnated by a collectivistic way of thinking (Hofstede, 1984). This was confirmed in two of the case studies. However, there were no direct questions regarding collectivism. The managers were asked what kind of cultural differences they experienced between China and Sweden. This result indicates that China is a collectivistic society, just as Hofstede claimed, since it was mentioned by two out of the three interviewees. When having a collectivistic mind-set, people often get motivated by common good, instead of what is good for the individual. When dealing with both Eastern and Western people, one can therefore assume that the Eastern employees will get motivated by different things than people in the West. The managers may have a hard time see what motivates a collectivistic person since the managers themselves are from Western cultures which are more individualistic. Therefore, the difference between East and West on this dimension may create issues in motivation.

**Masculinity**

China is highly ranked on the masculine scale (Hofstede, 1996). Sweden on the other hand, is not ranked as a masculine country. This fact was not mentioned at all in any of the interviews. The same argument as for collectivism can be used, there were no direct questions regarding masculinity, and since it was not mentioned, it may suggest that the degree of masculinity do not affect the way the studied companies do business. An analysis out from this may be either
that this cultural difference may not have any practical impact on the organizations’ view on different cultures; or it may suggest that China is becoming less masculine. Either way, there were no indications that the degree of masculinity would contribute to a gap between, Western managers and Eastern employees and their views regarding motivation.

**Power distance**

According to Hofstede (1984), China has a higher degree of power distance than Sweden (Hofstede, 1984). This was confirmed in two of the three case studies. Even though no direct questions regarding power distance were asked, the interviewees still brought up the fact that China has a high degree of power distance. This may therefore be seen as a cultural difference that affect the way of doing business with Chinese employees, at least for the companies participating in this study. A high degree of power distance indicates a very hierarchical order, where the power is concentrated to a few people in the top of the hierarchy. Promotions of an employee may therefore, not only result in a bigger salary, but probably also more power for the employee. This may have an effect on how motivated Eastern employees become from career opportunities or promotions. If this is not considered by the managers, this may result in a gap of misunderstanding regarding motivation of the Eastern employees.

**Uncertainty avoidance**

Studies have shown that the Chinese society has a higher level of uncertainty avoidance than Sweden (Chinta & Capar, 2007; Hofstede, 1984). This fact was confirmed in all of the three case studies and may therefore, be seen as a cultural difference that affect the way the Swedish managers in this study do business in China. As well as there were no direct questions asked regarding the above mentioned parts of Hofstede’s Cultural Dimension theory; there were neither any direct questions regarding uncertainty avoidance. Since this was mentioned by all of the managers in this study, this may be seen as something which needs to be considered when doing business in China. When having a high degree of uncertainty avoidance, people try to avoid risks and loosing face. One can therefore assume that risk taking and challenges in work may be something that a person with high degree of uncertainty avoidance would dislike. This contradict what Hertzberg (1968) claimed; challenges in work is a big motivator (Hertzberg, 1968). This may have an impact on how to motivate Eastern employees and need to be taken into consideration by Western managers.
Language issues

The most extreme nominal difference between countries is when the languages have completely different origins (Graen & Hui, 1996). This is the fact between the Swedish and the Chinese language. In one of the case studies, the interviewee brought up the fact that he has experienced language issues while working with Chinese employees. The other two interviewees did not even mention language as an issue or cultural differences. However, differences between languages from different origins may be something that was seen by the managers as given, and therefore they did not mention it. Another possible reason to that it was only mentioned in one of the case studies, is the fact there were no direct questions regarding language issues. English is being taught in Chinese schools and the business language in many foreign firms is English, this may as well be reasons to why managers do not view language as an issue. When speaking a language fluently, it is easier to express ones feelings. It is also easier to communicate what is wanted to be said in a clear way. If both parties, the Western managers and the Eastern employees are fluent in the same language, then their opinions regarding motivation can be fully understood and explained to each other.

Social rules

Social rules are concerned with the ways people think and act. According to Ho (1976) family, keeping face and social relationships are more important in China then in many western civilizations. Many western cultures have a focus on formal and legal agreements instead (Ho, 1976). The case studies have demonstrated Ho’s point of view as well. All three interviewees said that they have experienced differences in social rules. These results suggest that social rules are something that managers should be aware of when doing business with Chinese employees. At least it is something that has affected the Swedish managers in this study and their way of doing business in China. The concept social rules involves a wide variety of unwritten rules and laws of what is accepted and not. Due to that Sweden and China have different social rules, according to the findings in this dissertation, this may impact the way people want to be motivated. What is found desirable from a person in one culture may in a perspective from a person from another culture be totally unaccepted. This do of course have an influence on what motivates employees who are culturally diverse.
6.1.2 Analysis of concepts in table 2

This is an analysis of the concepts: role expectations = role behavior, management know-how, employee skills and the “third culture”. The analysis is based upon the results which can be found in table 2 in the result chapter.

Role expectations = Role behavior

According to the Organizational Role Theory, a company aims to get its employees to act (role-behavior) as the company wants them to act (role-expectations). Those roles and expectations need to be communicated, fully understood and accepted by all employees in order to make sure that the expectations and behavior are identical. When the expectations and behavior are identical; the value of the employees for the organization increases and required tasks are performed more effective and efficiently (Katz & Kahn, 1978).

There was only one of the three interviewees who clearly stated that expectations and behavior of employees were identical. Two interviewees pointed out that they have seen differences of what is expected and what is performed by the employees. However, they did not see these varieties as a big problem. The reason for not seeing this as a problem may be the fact that all interviewees worked a lot with repeatedly formal information and instructions. Perhaps these results mean that one of the case studies have succeeded with getting their expectations met, while the two other cases are still in process of getting their expectations met. This goes in line with the theory, if not the expectations and behavior are identical, managerial practices will be taken into action. If expectations and behavior are not identical this probably means that there is a gap in the understanding between Western managers and Eastern employees. Another point of view may be that when a person is motivated, he/she performs what is expected from him/her. On the other hand, if a person is not motivated, he/she probably would not perform his/her tasks as the managers expect.

Management know-how

The Resource-Based View (RBV) argues that resources within a firm can create a competitive advantage. Those resources need to fulfill the criteria of being valuable, rare, not easy to implement by others and not easy to find equivalent substitute to (Barney, 1991). These resources can be either tangible or intangible, it can be management know-how and this is what is being shown in table 2, column 3 in the result chapter. All three of the interviewees claimed that their firms have management-know and that there management’s contribution to
their companies is of high importance. It is hard to make an analysis whether or not the criteria for RBV is fulfilled, since many managers have internal information which is valuable, rare, not easy to implement by others as well as not easy to find substitute to. Since all three interviewees explain that they contribute a lot to their organizations, it is easy to believe that the management-know how is something which is crucial for the companies in this study. This goes in line with the theory, that management know-how can be seen as a resource that can create a competitive advantage. On the other hand, when asking managers what contribution they make to their company, one can expect to get glorified pictures of the managers and not necessarily an objective picture of their contribution. Management know-how which fulfills the criteria of being a competitive advantage in the RBV can be seen as something extraordinary. Manager with extraordinary knowledge may perhaps have a more positive influence on employee motivation, compared to managers who do not support their employees with any extraordinary know-how.

**Employee skills**

As mentioned above, anything that fulfills the four criteria of being rare, valuable, imperfectly imitable and without strategic equivalent substitutes can create a competitive advantage, according to the theory of Resource-Based View (Barney, 1991). Employee skills is one resource that could create a sustainable competitive advantage (Castanias & Helfat, 1991; Wernerfelt, 1984). However, the results from the case studies do not confirm that employee skills is a competitive advantage. Two out of the three interviewees did not say that their employees contributed with anything extraordinary to their organizations. Those findings do not support the suggestion that the employee skills is something that creates competitive advantage for the companies in this study. However, one need to keep in mind that one out of the three interviewee clearly stated that his employees contributes highly importance that he himself, as a Western manager, cannot contribute with. This may however, be connected to the type of business this interviewee is involved in. More about this in the analysis of case study 1. When managers believe that employees’ contribution to the organization creates a competitive advantage, then one may say that the employees contribute with something extraordinary. A competitive advantage is something that an organization wants to maintain in order to be sustainable. Employees, who are appreciated and treated as a crucial part of an organization, may hopefully be more motivated.
When practicing the “third culture”, actions are being made in order to integrate and incorporate two cultures into a “third culture” which is accepted by members of both original cultures (Graen & Hui, 1996; Graen & Wakabayashi, 1994). When asking about the concept of the “third culture”, one interviewee said that they tried to implement their own Western culture into the whole organization. The other two interviewees seemed to have a great understanding about the benefits of accepting cultural differences and adapting those differences into a new “third culture”. The two interviewees that integrate the two different cultures into a “third culture”, points out the importance of respect and understanding of the “other” culture in order to run a successful business. This goes in line with the theory about the “third culture” and the view of it as a tool to overcome cultural differences between Western and Eastern employees. Members of an organization who accept, adapt to cultural differences and enhance the best part of the two cultures will probably contribute to a decrease of the gap between the two cultures. A decreased gap between the different cultures may increase the understanding between the members of the organization. This increased understanding will hopefully result in higher efficiency and motivated employees.

6.1.3 Analysis of concepts in table 3

This is an analysis of the concepts: cooperative goals, competitive goals and communication. The analysis is based upon the results which can be found in table 3 in the result chapter.

Cooperative goals

With cooperative goals, the members of an organization believe that others’ success make their own success easier. When others move closer to accomplishing their goals, they also move closer to accomplishing their own goals (Chen & Tjosvold, 2008). Chen & Tjosvold (2008) have studied leader-member relationships between foreign managers and Chinese employees. Their results support cooperative goals, since they were found to help foreign managers to develop a quality relationship with Chinese employees. If the Chinese employees have a good relationship with their foreign managers, they feel committed, are motivated and willing to contribute to their organization (ibid.). The findings from the case studies suggest that this is something that the managers are aware of, since all companies use cooperative goals for their Chinese employees. One can therefore, say that these finding goes in line with Chen & Tjosvold’s (2008) suggestion for foreign managers which operates in China. Due to,
the fact that all the managers who were interviewed claimed to use cooperative goals, the manager-employee relationships are probably good. Therefore, their employees are probably feeling committed, motivated and are willing to contribute to the organization just as the theory and the findings suggest.

**Competitive goals**

With competitive goals, members of an organization believe that others goal fulfillment makes it harder for them to fulfill their own goals. This kind of thinking supports a win-lose situation between members of the organization. However, none of the studied three interviewees said that they use this kind of goals in their organizations. This fact helps to support the Chen & Tjosvold’s (2008) suggestions, regarding goals for foreign managers in China, even more. Earlier findings from scholars and in-depth interviews with managers have confirmed that they use cooperative goals and not competitive goals in their Chinese operations. The use of competitive goals instead, will probably result in a worsening of the personal relationship within the organization and therefore, a result in a decrease of the motivation among the employees.

**Communication**

A new factor, communication, was discovered and mentioned in all three interviews. Communication was viewed by all managers as something crucial for success when operating with Chinese employees. No direct questions regarding communication were asked. However they all pointed out that communication of rules, goals and instructions are of high importance when having Chinese employees. These results suggest that at least the managers in this study believe that Chinese employees needs clear instructions to perform tasks. Therefore, communication will be investigated in the survey on a Chinese population. Communication as the managers describe it, in terms of rules, goals and instructions may create better understanding within the organization. A greater understanding of what is expected and wanted may very well help to decrease the gap and increase motivation among employees.

6.1.4 Analysis of Case study 1

This is an analysis of Case study 1, the analysis is based upon the results from the in-depth interview with company X. The results can be found in table 1, table 2 and table 3 in the result chapter.
The biggest cultural difference between West and East, according to person A, is the degree of hierarchy (power distance). He claims that China has a higher degree of hierarchy than Sweden. Hofstede (1984) had the same argument, where he claimed that China has a higher degree of hierarchy than Sweden (Hofstede, 1984). The degree of hierarchy can be closely connected to the quote by person A “..Chinese people fancy company title and business cards. They often ask what kind of title they are being given in the company”. An analysis of this quote may be that people tend to ask what company title they will have since they want to have a high rank in the hierarchy. Company title is of higher importance in China than it is in the Western business culture. Chinese employees can then easily show and give away their business card during meetings and when integrating with new people. When having a specific title on a business card, it makes it easier for people to expand their business network and build relationship with other people (guanxi). Building relationship before doing business is crucial in China, and this is something that differs a lot from the Western business culture. However, person A values the capabilities of a person higher than the title of that person. This reasoning may again be in line with the fact that titles are not as important in West as it is in East. When promoting Eastern employees in a hierarchical organization it probably will have a great affect on the motivation, since it not only result a bigger salary but also more power. More power, since in a hierarchical organization the power is concentrated to a few people in the top of the hierarchy. Therefore, promotions and career opportunities are very useful tools for motivation Eastern employees.

Another cultural difference, mentioned by person A, is that China has a collectivistic way of thinking. This reasoning is also in line with Hofstede’s theory of Cultural Dimensions which was mentioned before. A collectivistic mind-set can be viewed as, that people tend to share interests, believes and opinions. What is good for the group is good for a collectivist. This was something person A pointed out; his Chinese employees do not communicate their own individual opinions. Instead, they group up and communicate the common opinion of the group. This gives strong indications that the Chinese employees in company X have a collectivistic mind-set. People with a collectivistic mind-set become motivated of what is good for the group and not what is only good for the individual. This may create problems with motivation of the Eastern employees, if not considered by the Western managers. The phenomenon, communicating through the group, also fits with Hofstede’s view that Eastern people have a high degree of uncertainty avoidance. A person with a high degree of uncertainty avoidance would probably not like to express his/her own individual opinions; it
would be “safer” to express opinions through a group. Another indication of a high degree of uncertainty avoidance was given by person A when he said, “With newly employed coworkers, there is a problem of “copying” the manager’s ideas instead of thinking by themselves”. This clearly indicates a high degree of uncertainty avoidance among newly employed coworkers at company X. This contradicts what Hertzberg (1968) claimed; challenges in work is a big motivator (Hertzberg, 1968). This needs to be considered when managing Eastern employees. For example, if the manager is motivated by having great responsibilities and new job tasks, this may not be the case of what motivates his Eastern employees.

Person A also confirmed a part of Graen and Hui’s Nominal and Systematic differences, namely social rules. This was confirmed by, respect for age. “The common decisions which has been taken, is communicated through the oldest employee” says person A when talking about how the Eastern employees communicate their opinions to their manager. Different social rules may have an impact on what motivates different people. Traditional Chinese values, such as family and respect for age may mean that it is more appropriate to motivate employees by offering them for example accommodation. On the other hand, it may not be appropriate to promote a younger employee higher in the hierarchy since respect for age is important in China.

On the topic of what is being performed by the Eastern employees and what is expected by them, person A focus on individual thinking. “I expect people to think independent, however, this is something that require practice…I want them to question things and think more independent” said person A when talking about his Eastern employees and the expectations on them. An analysis of this would be that the role expectations and role behavior are not identical, at least not without training. According to the Organizational Role Theory, the training of employees is one managerial practice taken into action to minimize the variations between the expectations and the behavior. The training will go on until the role expectations and role behavior are identical. This goes hand in hand with motivation. Motivated employees perform what is expected from them. However, if there are big varieties between the expectations and behavior, it indicates that it is a lack of, or, a gap in understanding between the Western managers and the Eastern employees.

The theory the Resource Based View (RBV) argues that employee skills and management know-how can create sustainable competitive advantages. Person A describes that both the
Western managers and Eastern employees are needed and contribute different crucial resources to the organization. The Western managers contribute two main things. First, they contribute with routine, this is something which is not available among the Chinese employees. Second, they contribute with individualistic thinking which is also rare in China, according to person A. The Eastern employees on the other hand, contribute with knowledge about Chinese law and most important knowledge about the Chinese culture. The Eastern employees act as “cultural interpreters”, according to person A. With this in mind, one can see that in company X both the management know-how and the employee skills could help create a sustainable competitive advantage, just as according to the RBV. These findings will lead to a win-win situation, when managers and employees contribute with different things to the organization. Probably, this will lead to appreciation of work done, which is a motivation factor. Appreciation has been proven, in earlier studies, to be a motivation factor for Chinese employees (Islam & Ismail, 2008).

Person A explains that in order to overcome cultural differences, within company X, they have tried to enhance the best part of the two different cultures. One culture shall not dominate over the other culture; symbiosis between the two cultures is vital for the organization, says person A. This goes in line with the ideas of the theory the “third culture” which states, in order to overcome cultural differences, a new “third culture” shall be developed based upon both original cultures. An analysis of this is that in company X there is no doubt that there is an awareness of the importance of accepting and adapting to the cultural differences within the organization. Or, like Graen and Hui (1996) explained it, developing a “third culture” is to incorporate fundamental characteristics of both cultures (Graen & Hui, 1996). Since person A is aware of the importance of creating a “third culture”, it will result in a bridging of the two cultures and decrease the gap.

Company X is working with cooperative goals, and in order to succeed with this there is a need for communication between the employees and also between the employees and the manager, says person A. Earlier studies have shown that this combination, foreign managers, Chinese employees and cooperative goals, do work out well for many companies (Chen & Tjosvold, 2008). According to Chen and Tjosvold’s (2008) study on cross-cultural leadership in foreign ventures in China, one can expect that company X is using the right type of goals. This should, according to their study, prevent conflicts and problems within the organization and lead to higher efficiency. Higher efficiency goes hand in hand with motivation (Chen &
Tjosvold, 2008). One can therefore say that cooperative goals may lead to increased motivation of Eastern employees.

Person A claims that money is the big motivation factor for Chinese employees but, there are also other things that motivate Chinese employees such as career opportunities and knowledge sharing. Money as the big motivation factor goes against Hertzberg’s (1968) believes that money is not a motivator. Hertzberg (1968) argues in his Two-Factor Theory that money instead is a hygiene factor which does not create motivation but a short of hygiene factors may create dissatisfaction (Hertzberg, 1968). However, McClelland and Burnham (2003) on the other hand, argue that people with a high need for achievement should receive a lot of feedback. Money is an effective form of feedback for these people (McClelland & Burnham, 2003). Following this reasoning one could see that the Chinese employees in company X needs a lot of feedback and are people with a high need for achievement. Career opportunities and knowledge sharing are typical examples of motivators according to Hertzberg and his Two-Factor Theory. However, Hertzberg points out that both hygiene factors and motivators is needed to create job satisfaction (Hertzberg, 1968). This is the case for company X, both motivators and hygiene factors, which together creates motivation for employees within the company.

6.1.5 Analysis of Case study 2

This is an analysis of Case study 2, the analysis is based upon the results from the in-depth interview with company Y. The results can be found in table 1, table 2 and table 3 in the result chapter.

Person B points out that he wants his Chinese employees to think and act more independently. This is obviously an indirect way of saying that the Chinese employees have a collectivistic mind-set. This may create problems with motivation of the Eastern employees if not considered by the Western managers, since a collectivist become motivated of what is good for the group and not what is only good for the individual. Person B claims that the biggest cultural difference between Sweden and China is the way of performing assigned tasks. He describes it as “a task can be solved in more than one way”. The Chinese employees within the firm are strictly controlled by their authoritarian Chinese manager, which can be a reason to why they do not think “outside of the box”. Instead of using tools and machinery, the Chinese employees use a lot labor. This leads to an ineffective way of performing tasks. Person B believes that his Chinese employees have a lack of initiatives as well. This indicates
that it is a gap in the way of thinking between Western managers and Eastern employees in company Y. An analysis out of this may be that the power distance within the Chinese part of the organization is high since the description of authoritarian management fits with Hofstede’s description of a society with high power distance; people without power in a society accept and expect that only a few people in the society have the power (Hofstede, 1983). With only a few people having power, promotions could mean highly increased power for the promoted person, this can be something important to bear in mind when trying to motivate Chinese employees. Not thinking “outside of the box” indicates that there is a high degree of uncertainty avoidance among the Chinese employees as well. An unwillingness to think innovative fits also with how Hofstede’s (1983) describes uncertainty avoidance; a person belonging to a society with a high degree of uncertainty avoidance is less likely to take risks. He/she also usually prefers to follow rules of the society or the pattern of the people around him/her (ibid.). Because of a high degree of uncertainty avoidance, managers should think twice about using challenges as a way to motivate their Chinese employees.

Company Y has faced some language issues in their operation in Inner Mongolia. The Swedish and Chinese languages have completely different origins and this is probably the reason to the language issues. According to Graen and Hui (1996) this is the most extreme nominal difference between countries (Graen & Hui, 1996). The language issues are that many of the employees do not speak or do not understand any English. However, this may be connected with the line of business. The factory in Inner Mongolia where the language issues have occurred is a manufacturing industry. There are probably no requirements for speaking different languages when working as a “blue collar”. When not speaking the same language, members of an organization may find it hard to communicate and understand each other, this will create a gap. This is something to bear in mind, when trying to motivate the employees; they need to understand the reason to why they have been assigned certain tasks. Otherwise, it is hard to motivate them, if they do not know why they are doing certain tasks, they are less likely to feel committed and motivated.

Person B describes that there are some issues regarding reports and taking notes during meetings. While this is something more or less an “unwritten rule” in Sweden, this is hardly ever done by Chinese employees. One can therefore assume that this difference arises from a difference in social rules between Sweden and China. This is something noted by Ho (1976) where he points out that Western cultures relies on a higher degree of formal and legal agreements than China (Ho, 1976). Different social rules applies that different things are
desired by the persons from the two cultures. Something that motivate people from one culture, may not motivate or be acceptable to people from another culture.

Regarding the Organizational Role Theory, the varieties between the role expectations and the role behavior are low, according to person B. This is a result of clear information, signs and by having a very authoritarian hierarchical order within the Chinese part of the company. According to Katz and Kahn (1978) the value of the employee is greater when the role-expectations and the role-behavior are identical (Katz & Kahn, 1978). Therefore, one can say that clear information, signs and the hierarchical order which the company uses have reduced the gap between the two cultures in company Y.

Management know-how may create a sustainable competitive advantage to an organization. Managers within company Y contribute with valuable things to the organization according to person B. One can therefore assume that they have useful information and contacts within the business. This can easily be seen as a resource that can give a competitive advantage. One can therefore say that these competences could perhaps help to motivate the Eastern employees within the organization. This will probably result in an increased motivation among employees in company Y, compared to a company with a lack of this type of competences.

The Shanghai office and the sales department works just as the Swedish ones do, which is good, says person B. This reasoning will be interpreted that person B will prefer using only Western values within company Y. This reasoning works against Graen and Hui’s (1996) view of creating a “third culture” where one culture shall not dominate over the other culture (Graen & Hui, 1996). Person B claims that they try to communicate “Western values” to the Chinese part of the organization. An analysis of this could be that they within the company did not have any “cultural insiders”, which accept and adapt cultural differences. This may be the fact, at least before the reorganization of the whole organization in Inner Mongolia. Pushing “Swedish values” on to the Chinese employees will increase the gap between the two cultures; this will result in that the Swedish culture dominates over the Chinese culture. This is the opposite of bridging the gap between the two cultures. However, nowadays, the Chinese person who works in the Shanghai office has experience from working in Europe, and understand both Western and Eastern cultures. One can therefore assume that she acts as a “cultural insider” and is a reason to why person B values her highly. Still, by trying to force “Swedish values” to the Chinese part of the organization will work against the idea of creating a “third culture”.
Cooperative goals are being used, just as Chen and Tjosvold (2008) suggested when having Chinese employees in an organization. According to their findings, this should result in a higher degree of employees helping each other out with tasks and problems which lead to a higher efficiency and increased motivation among the Chinese employees (Chen & Tjosvold, 2008).

Motivation factors differ a lot from one location to another, according to person B. He noticed that Chinese employees in Shanghai are motivated by career opportunities and personal success. This goes in line with Hertzberg’s Two-Factor theory. In Inner Mongolia on the other hand, other things motivate Chinese employees, says person B. Those motivators can be seen as more basic needs, such as accommodation, transport and other activities (basketball, ping-pong). This may be seen as hygiene factors, according to the Two-Factor theory. McClelland’s Acquired Needs Theory points out that people with different needs should be motivated differently. This may be the case with people from Shanghai, which is a wealthy Chinese city, and people from Inner Mongolia, which is a poorer region. A rich person may not have the same needs as a not as rich person.

6.1.6 Analysis of Case study 3

This is an analysis of Case study 3, the analysis is based upon the results from the in-depth interview with company Z. The results can be seen in table 1, table 2 and table 3 in the result chapter.

A huge cultural difference between Sweden and China is the fear of losing face, according to person C. A person who has a fear of losing face might also have a high degree of uncertainty avoidance. A high degree of uncertainty avoidance means that you are less likely to take risks. When taking risks one will increase the risk of failure, which also increases the risk of losing face. Therefore, the fear of losing face is viewed as having a high degree of uncertainty avoidance in this dissertation. This goes in line with earlier studies which claim that China has a high degree of uncertainty avoidance (Chinta & Capar, 2007; Hofstede, 1984). The managers should keep in mind the high degree of uncertainty avoidance when assigning tasks to their Chinese employees. Tasks with a lot of risks will probably decrease the motivation of the employees. Ho (1976) claims that keeping face is a type of social rule in China, this indicates that there are differences in social rules between China and Sweden (Ho, 1976). Another thing that person C points out is that his employees in China tend to make changes in already signed contracts. This is something that would not be acceptable in Western countries.
since the Western cultures’ social rules rely on a high degree of formal and legal agreements (ibid.). This clearly indicates that there is a need for communication in order to decrease the gap. The managers need to communicate that it is not acceptable to make changes in a signed contract. If this information is communicated to, and understood by their Eastern employees, it would help to reduce the gap. A third statement by person C that suggest that there are different social rules between Sweden and China is; “…there is another way of thinking in China compared to Sweden. There is a problem of thinking outside of the box and seeing the big picture”. Ho (1976) claims that social rules affect the way people act and think (ibid.). Since there is a different way of thinking in China, according to person C, this also suggests that there are different social rules.

Person C describes that sometimes there are big differences of what is being expected and what is being performed. In order to try to solve this, company Z works with continuous information and communication to their Chinese employees. However, when expectation and behavior are not identical, managerial practices need to be taken into action (Katz & Kahn, 1976). Perhaps there is a need for other managerial practices besides communication as well in order to reduce the varieties between what is expected and what is being performed. Maybe another managerial practice to reduce the gap of what is being expected and what is being performed could be training of the employees. Training may help to decrease the gap faster (ibid.)

Information and management are the most important contributions Swedish managers make to the organization, according to person C. It is unclear what kind of management skills and information person C refers to. However, since person C claims that those skills are valuable to the organization, one can assume that such management know-how can support a competitive advantage. If this is the case, it fits with the theory of the Resource-Based View. Such management know-how may help to motivate the Eastern employees.

Person C explains that the key to overcome cultural differences is communication. Since there are differences, one has to accept those, and this is something which is done by both the Western and Eastern members of the organization. The Swedes have to keep in mind the Chinese employees’ fear of losing face and the Chinese have to keep in mind that Swedes want to be formal when it comes to contracts or other agreements, says person C. These statements support the idea of creating a “third culture”. According to Graen, Hui and Wakabayashi (1996) members of one culture may accept or deny the cultural differences.
Accepting the differences and at the same time take actions in order to integrate and incorporate the two different cultures, is how one create a “third culture” (Graen, Hui & Wakabayashi, 1996). This is something which is happening in company Z since they accept the cultural differences and try to overcome them by taken actions such as extended communication between the different countries. When creating a “third culture” the company is also decreasing the gap between the Western and Eastern members of the organization.

Cooperative goals are the type of goals that company Z uses according to person C. Once again, according to Chen and Tjosvold (2008), this is the type of goals one shall use when having Chinese employees (Chen & Tjosvold, 2008). This kind of goals will increase the motivation among the employees as well as the efficiency of the organization.

Achieving goals is crucial for Eastern employees’ motivation, says person C. According to Hertzberg (1968) achievement is an example of a motivator (Hertzberg, 1986). As long as there are hygiene factors as well, for the Chinese employees in company Z, this, the combination of hygiene-factors and motivators should together increase the motivation among the employees according to the Two-Factor Theory (ibid.)

6.1.7 Comparison between earlier scholars and mangers views

Figure 4 below, shows a comparison between earlier scholars and managers’ view. The figure compares the earlier scholars and managers’ views on: motivation factors, the “third culture”, cooperative goals and The Organizational Role Theory.
**Fig. 4 – Matrix comparison – Earlier scholars and managers**

Explanation of the matrix follows below:

1) Important motivation factors for Eastern employees according to earlier scholars are: good salary, good working conditions, career opportunities and job security (Islam & Ismail, 2008).

2) The “third culture” is necessary to overcome cultural distance when operating in cross-cultural settings (Graen, Hui & Wakabayashi, 1996).

3) Cooperative goals is necessary when having Chinese employees (Chen & Tjosvold, 2008).

4) Role expectations and role behavior need to be identical to increase efficiency. Training will go on until expectations and behavior is identical (Katz & Kahn, 1966).

5) Important motivation factors for Eastern employees according to the managers are: good salary, other benefits, career opportunities and achieving goals.

6) 2/3 of the interviewed managers claim that the ideas of creating a “third culture” are important and need to be considered when managing in cross-cultural settings.

7) Cooperative goals is necessary when having Chinese employees according to all interviewed managers.
8) All managers claim that communication is the key to get the role expectations and role behavior identical.

6.2 Analysis and empirical findings of the survey
The analysis in this part of the chapter is based on the empirical findings of the survey.

6.2.1 Sample
In table 4 below, the demographics of the respondents of the survey is presented.

Table 4 - Respondents’ demographic information

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<tr>
<td>Guizhou</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Hubei</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Hunan</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Jianxi</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Shandong</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Shanghai</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>5</td>
<td>6.0</td>
</tr>
<tr>
<td>19</td>
<td>5</td>
<td>6.0</td>
</tr>
<tr>
<td>20</td>
<td>17</td>
<td>20.5</td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>25.3</td>
</tr>
<tr>
<td>22</td>
<td>22</td>
<td>26.5</td>
</tr>
<tr>
<td>23</td>
<td>12</td>
<td>14.5</td>
</tr>
<tr>
<td>25</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>Job experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>9</td>
<td>10.8</td>
</tr>
<tr>
<td>No Experience</td>
<td>74</td>
<td>89.2</td>
</tr>
</tbody>
</table>

As seen in table 4 above, the number of respondents in the survey was 83. There were slightly more males (47) than females (36). The majority of the respondents were born in the province of Zhejiang (44). Most of the respondents were between the age of 20 and 22 and there were
no participants older than 25. The majority of the respondents did not have any prior job experience (74).

6.2.2 Motivation factors

In table 5, below, means, standard deviation, 95 percent confidence interval for the means and overall rank of the eight motivation factors, are shown. The higher the mean the higher is the rank.

Table 5 - Overall ranking of the motivation factors

<table>
<thead>
<tr>
<th>Motivation factors</th>
<th>Mean</th>
<th>S.D</th>
<th>95% Confidence Interval of the difference</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good salary</td>
<td>5.16</td>
<td>2.340</td>
<td>(4.65, 5.67)</td>
<td>2</td>
</tr>
<tr>
<td>Other benefits (such as accommodation, food, transport)</td>
<td>3.45</td>
<td>1.989</td>
<td>(3.01, 3.88)</td>
<td>7</td>
</tr>
<tr>
<td>Career opportunities</td>
<td>5.37</td>
<td>2.052</td>
<td>(4.93, 5.82)</td>
<td>1</td>
</tr>
<tr>
<td>Good working conditions</td>
<td>4.71</td>
<td>2.255</td>
<td>(4.22, 5.20)</td>
<td>4</td>
</tr>
<tr>
<td>Job security</td>
<td>4.75</td>
<td>2.157</td>
<td>(4.28, 5.22)</td>
<td>3</td>
</tr>
<tr>
<td>Appreciation of work done</td>
<td>4.67</td>
<td>1.842</td>
<td>(4.27, 5.08)</td>
<td>5</td>
</tr>
<tr>
<td>Achieving goals</td>
<td>4.61</td>
<td>2.065</td>
<td>(4.16, 5.07)</td>
<td>6</td>
</tr>
<tr>
<td>Activities at work (such as table-tennis, basketball etc.)</td>
<td>3.28</td>
<td>2.733</td>
<td>(2.68, 3.87)</td>
<td>8</td>
</tr>
</tbody>
</table>

As seen in table 5 above, the students in the survey ranked Career opportunities as the number one motivation factor. This motivation factor was followed by: Good salary (2), Job security (3), Good working conditions (4), Appreciation of work done (5), Achieving goals (6), Other benefits (7) and Activities at work (8).

An earlier study regarding motivation of Eastern employees has shown that the most important motivation factors are: High wages (1), Good working conditions (2), Career opportunities (3) and Job security (4) (Islam & Ismail, 2008). Those findings are similar to the findings in this survey, however, not identical. The same motivation factors are in the top but with different ranking. The differences in the findings may be explained by that: the two studies were conducted in two different countries, Malaysia and Sweden. It may also be explained by the fact of time. The study conducted in Malaysia was performed in 2004 compared to this study which was conducted during the year of 2010. This reasoning, that the time perspective may have an influence on what motivates employees is strengthen by earlier
US studies. Studies on motivation of US employees during 40 years have shown that there are huge differences over time (Wiley, 1997).

During the in-depth interviews, the Western managers pointed out what they do believe are the most important motivation factors for their Eastern employees. The mentioned motivation factors were career opportunities, good salary, other benefits and achieving goals. The managers’ believes that career opportunities and money are important motivation factors for Eastern employees. Those beliefs were also similar with the beliefs of the Eastern population in this study. However, other benefits and achieving goals which the Western managers believed were important motivation factors were not ranked very highly by the Eastern population. This indicates that there is, at least a partly gap regarding motivation of Eastern employees, between the Western managers and the Eastern population.

Hertzberg (1968) claimed that money is not a motivation factor, it is just a hygiene factor (Hertzberg, 1968). The results from the survey, where money was ranked as the second most important motivation factor, contradict Hertzberg’s view on money and its motivational force. McClelland (2003) however, claims that money is an effective form of feedback for people with a high need for achievement (McClelland & Burnham, 2003). Hertzberg (1968) has pointed out many of the motivation factors in the survey, however, Hertzberg’s Two Factor Theory fails to explain the result from the survey regarding money. Since money was ranked as the second most important motivation factor, by the Chinese population, this may not be overlooked in order to make Hertzberg’s theory fit. One motivation theory alone cannot explain the results from the survey. One may say that there is a gap between reality and theories. However, by using a combination between Hertzberg’s Two Factor theory and McClelland’s Acquired Needs theory, the results from the survey can be explained.

In table 6 below, the earlier eight mentioned motivation factors are ranked separately based upon demographics of the participants in the survey. The demographic factors are as mentioned before (see table 4): gender, province of birth, age and job experience.
Table 6 - Ranking of the motivation factors based upon demographics

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Gender</th>
<th>Age</th>
<th>Place of birth</th>
<th>Job experience</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>G1</td>
<td>A1</td>
<td>A2</td>
<td>A3</td>
</tr>
<tr>
<td>Good salary</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Other benefits (such as</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>accommodation, food, transport)</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Career opportunities</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Good working conditions</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Job security</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Appreciation of work done</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Achieving goals</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Activities at work (such as</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>table-tennis, basketball etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: G1=Male, G2=Female, A1= <20, A2=20, A3=21, A4=22, A5= >22, P1=Beijing, P2=Zhejiang, P3=Other provinces, E1= No job experience, E2= Job experience

*= tie
When looking at the first variable, gender, the biggest differences are the views on career opportunities and appreciation of work done. Females have ranked good working conditions as the number one motivation factor, while men on the other hand, only ranked it as the sixth most important motivation factor. Appreciation of work done seems to be more important for males than for females. The males ranked appreciation of work done as the third most important motivation factor, while the females ranked it as the sixth most important one. Earlier studies have shown that there are differences on the preferences of motivation between the genders (Islam & Ismail, 2008; Kavanaugh, Duffy & Lilly, 2006). As mention before, those studies is the reason for using gender as a control variable in the survey. This study has shown indications of differences on preference of motivation factors between the genders as well. This may be something for the managers to consider when motivating employees.

Moving on to the second variable, age, there are differences between the different ages regarding the preferences of the following motivation factors: good working conditions, job security and appreciation of work done. No pattern in the differences can be observed and it is unclear what may have caused the differences. However, Islam and Ismail (2008) have also seen differences between different age groups and what motivate them (Islam & Ismail, 2008).

The third variable, place of birth, has shown to have an influence on the preferences on motivation factors. A majority of the participants in this survey were born in the province of Zhejiang, and the second most common province of birth, among the participants, was Beijing. There were a number of 12 different provinces represented in this survey. However, 58 out of the 83 participants in the study were born in either Zhejiang or Beijing and this is the reason for grouping all other provinces in to the category “Other provinces”. Differences were observed mainly on four different motivation factors: good salary, good working conditions, job security and appreciation of work done. When it comes to the preference on good salary, the respondents from Zhejiang and Beijing ranked the importance of this motivation factor highly. The respondents from the “Other provinces” did merely rank it as the fifth most important motivation factor. Good working conditions were low ranked by respondents from Beijing while quite high by respondents from both Zhejiang and “Other provinces”. Beijing is one of the wealthier parts of China, this may affect the preferences regarding the motivation factor good working conditions. Another possible reason for differences in preferences regarding working conditions may be that there are different
business sectors in different parts of the country. Good working conditions may not be as important for someone who is working in an office. Since Beijing is the Capital of China and a major city one could expect that the province has a lot of office and government jobs. There were no other patterns discovered. Differences in preference of the motivation factors between the different provinces may be explained by the fact that China is a huge country, with varieties in culture, wealth, language, living standard, religion and races. The fact that there are differences in preferences regarding motivation between the different provinces was also supported by one of the managers in one of the case studies.

The fourth and final variable, job experience, may at a first glance of the table 6 be the reason for differences of preferences regarding motivation. However, there were too few respondents with job experience (9 out of 83) in this survey for this to be a reliable result.

6.2.3 Hypothesis 1

The first hypothesis (H1) is stated as follows: The “third culture” as a management tool will have an influence on employee motivation.

H1 was investigated during the survey with two different questions, which both describes the basic ideas from the theory of the “third culture”. Those questions were:

- If you have a non-Chinese manager when working in an organization, how important is it that he/she understands your culture?

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important

- Let us say you were working in an organization with both non-Chinese and Chinese employees. How important is it then for you that people within this organization accept cultural differences and make compromises to the two different cultures? (That is to say, one culture is not dominating over the other culture)

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important

A correlation test (Pearson) was done in order to test if there were any correlation between any of the above stated questions and the motivation factors. Table 7 below, shows the outcome of the test.
As seen from the table 7 above, there was a correlation between “The importance of that managers accept and compromise to cultural differences” and the motivation factor “Other benefits (such as accommodation, food, transport)” on a statistically significance level $p \leq 0.1$. By this, one can draw an analysis that those Chinese people who believe that it is important that managers accept and compromise to cultural differences, also believe that other benefits (such as accommodation, food, transport) is an important motivation factor. In other words, a respondent who gave a high grade (high importance) on the question “The importance of that managers accept and compromise to cultural differences” have also ranked the motivation factor “Other benefits” highly. Therefore, hypothesis 1 (H1) will be accepted. The “third culture” will have an influence on employee motivation.

The respondents who find it important to create a “third culture” prefer “other benefits” as a motivation factor. “Other benefits” has been pointed out to be an important motivation factor for Eastern employees, during one of the case studies. However, as seen in table 5 “Other benefits” was only ranked as the seventh most valued motivation factor. Even if one looks at certain groups according to the independent variables, the highest rank the motivation factor “Other benefits” received was 6 by the age group <20 (as seen in table 6). “Other benefits” as a motivation factor was not mentioned in any of the motivation theories which this thesis is based upon, but it was mentioned by one of the managers in the case studies. This manager believed that “Other benefits” is of high importance when it comes to motivation of his company’s Chinese employees in China. This company has a factory in Inner Mongolia,
which is an underdeveloped area of China. In an underdeveloped area and especially among factory workers (usually with low education) more basic needs such as accommodation and food are of higher importance, compared to people with high education who lives in wealthier parts of China. This goes in line with the basic ideas of McClelland’s (2003) Acquired Needs Theory, which states: “People with different needs should be motivated differently” (McClelland & Burnham, 2003). Probably there is a lower understanding of the English language among the lower educated people in the underdeveloped parts of China. Language issues are the most extreme nominal differences (Graen & Hui, 1996). This can lead to a big gap in the understanding between the Western managers and the Eastern employees. Following this reason, it is not hard to believe that the people from the less developed parts of China would value the concept of the “third culture” highly.

It should be said that no statistically significance on a level \( p \leq 0.1 \) or higher, were found between any of the other motivation factors and the questions regarding the “third culture”. However, many of the participants in this survey found it highly important that managers understand, accept and compromise to cultural differences. One can therefore assume that bridging cultures together into a new “third culture” is important for the Chinese population. This can be seen in table 8 below, where the results of the two questions regarding the “third culture” are shown.

**Table 8 – The importance of the “third culture”**

<table>
<thead>
<tr>
<th>The importance of that managers understand cultural differences</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
<th>The importance of that managers accept and compromise cultural differences</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All participants</td>
<td>4.83</td>
<td>1.629</td>
<td>(4.48, 5.19)</td>
<td>All participants</td>
<td>5.72</td>
<td>1.337</td>
<td>(5.43, 6.01)</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>4.72</td>
<td>1.499</td>
<td></td>
<td>Male</td>
<td>5.74</td>
<td>1.242</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>4.97</td>
<td>1.797</td>
<td></td>
<td>Female</td>
<td>5.69</td>
<td>1.470</td>
<td></td>
</tr>
<tr>
<td><strong>Province of birth</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>Province of birth</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beijing</td>
<td>5.29</td>
<td>1.637</td>
<td></td>
<td>Beijing</td>
<td>5.64</td>
<td>0.929</td>
<td></td>
</tr>
<tr>
<td>Zhejiang</td>
<td>5.05</td>
<td>1.509</td>
<td></td>
<td>Zhejiang</td>
<td>5.86</td>
<td>1.231</td>
<td></td>
</tr>
<tr>
<td>Other provinces</td>
<td>4.20</td>
<td>1.708</td>
<td></td>
<td>Other provinces</td>
<td>5.52</td>
<td>1.686</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td>4.70</td>
<td>0.483</td>
<td></td>
<td>&lt;20</td>
<td>6.00</td>
<td>0.667</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>4.41</td>
<td>2.093</td>
<td></td>
<td>20</td>
<td>5.24</td>
<td>2.016</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>4.62</td>
<td>1.596</td>
<td></td>
<td>21</td>
<td>6.00</td>
<td>1.140</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>5.05</td>
<td>1.759</td>
<td></td>
<td>22</td>
<td>5.77</td>
<td>1.270</td>
<td></td>
</tr>
<tr>
<td>&gt;22</td>
<td>5.46</td>
<td>1.266</td>
<td></td>
<td>&gt;22</td>
<td>5.62</td>
<td>0.961</td>
<td></td>
</tr>
<tr>
<td><strong>Job experience</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>Job experience</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No experience</td>
<td>4.85</td>
<td>1.694</td>
<td></td>
<td>No experience</td>
<td>5.73</td>
<td>1.388</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>4.67</td>
<td>1.000</td>
<td></td>
<td>Experience</td>
<td>5.67</td>
<td>0.866</td>
<td></td>
</tr>
</tbody>
</table>
6.2.4 Hypothesis 2

The second hypothesis (H2) is stated as follows: **Cooperative goals will have an influence on employee motivation**

H2 was investigated during the survey with two different questions. Those questions describe two different types of goals, cooperative goals and competitive goals. These goals are described in the Theory of Cooperation and Competition. The questions regarding those goals were:

- “If I were working in an organization I would prefer shared goals with my fellow employees.

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important”

- “If I were working in an organization I would prefer to have my own individual goals.

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important”

Two correlation tests (Pearson) were done in order to test if there were any correlation between any of the above stated questions and the motivation factors. Table 9 below shows the outcome of the correlation test between shared goals and motivation factors.

**Table 9 – Correlations (Pearson) between I prefer shared goals and motivation factors**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Good salary*</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Other benefits*</td>
<td>0.412</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Career opportunities</td>
<td>0.979</td>
<td>0.179</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Good working conditions</td>
<td>0.237</td>
<td>0.010**</td>
<td>0.539</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Job security</td>
<td>0.717</td>
<td>0.005***</td>
<td>0.085†</td>
<td>0.343</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Appreciation of work done</td>
<td>0.033*</td>
<td>0.000***</td>
<td>0.910</td>
<td>0.196</td>
<td>0.745</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Achieving goals</td>
<td>0.110</td>
<td>0.038*</td>
<td>0.065†</td>
<td>0.051†</td>
<td>0.587</td>
<td>0.210</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Activities at work*</td>
<td>0.000***</td>
<td>0.001***</td>
<td>0.000***</td>
<td>0.000***</td>
<td>0.035*</td>
<td>0.550</td>
<td>0.773</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>9. I prefer shared goals</td>
<td>0.689</td>
<td>0.663</td>
<td>0.997</td>
<td>0.723</td>
<td>0.773</td>
<td>0.611</td>
<td>0.211</td>
<td>0.644</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**Notes:** 2. Other benefits (such as accommodation, food, transport)
6. Activities at work (such as table-tennis, basketball etc.)
† p<0.1
* p<0.05
** p<0.01
*** p<0.001
As seen from the table 9 above, there was no correlation (Pearson) between “I prefer shared goals” and any of the motivation factors. This means that the results of the survey cannot tell us how cooperative goals (“shared goals”) affect the motivation of Eastern employees. Therefore, the second hypothesis (H2) is rejected.

Deutsch (1949) claims in his Theory of Cooperation and Competition that cooperative goals will result in people helping each other out to avoid problems (Deutsch, 1949). Chen and Tjosvold (2008) have studied cross-cultural management with Western managers and Eastern employees. Their results suggest that Chinese employees with foreign managers should have cooperative goals in order to develop strong relationships and to overcome cultural distances between the two cultures in the company. According to Chen and Tjosvold (2008), cooperative goals help Chinese employees to feel committed, motivated and makes them more willing to contribute to the organization (Chen & Tjosvold, 2008).

The survey in this dissertation could not confirm Chen and Tjosvold’s (2008) results, which suggest that cooperative goals are the best type of goals when dealing with Eastern employees.

A correlation test (Pearson) was also conducted for individual goals and motivation factors. The result from the correlation test is shown in Table 10 below.

Table 10 - Correlations (Pearson) between I prefer individual goals and motivation factors

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Good salary</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Other benefits*</td>
<td>0.412</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Career opportunities</td>
<td>0.979</td>
<td>0.179</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Good working conditions</td>
<td>0.237</td>
<td>0.010**</td>
<td>0.539</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Job security</td>
<td>0.717</td>
<td>0.005**</td>
<td>0.008†</td>
<td>0.343</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Appreciation of work done</td>
<td>0.033*</td>
<td>0.000***</td>
<td>0.910</td>
<td>0.196</td>
<td>0.745</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Achieving goals</td>
<td>0.110</td>
<td>0.038*</td>
<td>0.068†</td>
<td>0.051†</td>
<td>0.587</td>
<td>0.210</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Activities at work*</td>
<td>0.000***</td>
<td>0.001***</td>
<td>0.000***</td>
<td>0.000***</td>
<td>0.035*</td>
<td>0.550</td>
<td>0.773</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>9. I prefer individual goals</td>
<td>0.284</td>
<td>0.188</td>
<td>0.192</td>
<td>0.889</td>
<td>0.469</td>
<td>0.846</td>
<td>0.252</td>
<td>0.529</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Notes:
2. Other benefits (such as accommodation, food, transport)
8. Activities at work (such as table-tennis, basketball etc.)
†: p≤0.1
*: p≤0.05
**: p≤0.01
***: p≤0.001
There were no correlations between “I prefer individual goals” and any of the motivation factors. This study cannot show that cooperative goals have an effect on employee motivation, as mentioned before. It can neither show that individual goals would have an effect on employee motivation. However, there is clearly a gap between the results of earlier studies (Chen & Tjosvold, 2008) and this study.

In order to test if the cooperative goals were preferred before the individual goals by the Chinese population, a comparison between the preferences of the two types of goals was done. This was simply done by comparing the answers from the two questions regarding the Theory of Cooperation and Competition. The results can be seen in Table 11 below, where the results of the two questions regarding preferences of goals are shown.

**Table 11 – Preferences of goals**

<table>
<thead>
<tr>
<th></th>
<th>I prefer shared goals</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
<th>I prefer individual goals</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All participants</td>
<td></td>
<td>5.67</td>
<td>1.260</td>
<td>(5.40, 5.95)</td>
<td>All participants</td>
<td>6.30</td>
<td>0.959</td>
<td>(6.09, 6.51)</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>5.60</td>
<td>1.409</td>
<td></td>
<td>Male</td>
<td>6.15</td>
<td>1.103</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>5.78</td>
<td>1.045</td>
<td></td>
<td>Female</td>
<td>6.50</td>
<td>0.697</td>
<td></td>
</tr>
<tr>
<td><strong>Province of birth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beijing</td>
<td></td>
<td>5.07</td>
<td>1.592</td>
<td></td>
<td>Beijing</td>
<td>6.07</td>
<td>1.072</td>
<td></td>
</tr>
<tr>
<td>Zhejiang</td>
<td></td>
<td>5.89</td>
<td>0.993</td>
<td></td>
<td>Zhejiang</td>
<td>6.73</td>
<td>0.499</td>
<td></td>
</tr>
<tr>
<td>Other provinces</td>
<td></td>
<td>5.64</td>
<td>1.411</td>
<td></td>
<td>Other provinces</td>
<td>5.68</td>
<td>1.145</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td></td>
<td>5.90</td>
<td>0.994</td>
<td></td>
<td>&lt;20</td>
<td>6.20</td>
<td>1.033</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td></td>
<td>5.59</td>
<td>1.502</td>
<td></td>
<td>20</td>
<td>5.82</td>
<td>1.185</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td></td>
<td>5.33</td>
<td>0.966</td>
<td></td>
<td>21</td>
<td>6.29</td>
<td>0.956</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td></td>
<td>6.00</td>
<td>1.069</td>
<td></td>
<td>22</td>
<td>6.59</td>
<td>0.734</td>
<td></td>
</tr>
<tr>
<td>&gt;22</td>
<td></td>
<td>5.62</td>
<td>1.758</td>
<td></td>
<td>&gt;22</td>
<td>6.54</td>
<td>0.776</td>
<td></td>
</tr>
<tr>
<td><strong>Job experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No experience</td>
<td></td>
<td>5.73</td>
<td>1.174</td>
<td></td>
<td>No experience</td>
<td>6.32</td>
<td>0.981</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
<td>5.22</td>
<td>1.856</td>
<td></td>
<td>Experience</td>
<td>6.11</td>
<td>0.782</td>
<td></td>
</tr>
</tbody>
</table>

The result from the comparison of the two questions shows that, the Chinese do not prefer cooperative goals (“shared goals”) before individual. Instead, the participants in the study have favored competitive goals (“individual goals”) to a slightly higher degree compared to cooperative goals. If assumed that a person would become more motivated when getting what he/she wants, then this result contradicts what Chen and Tjosvold’s (2008) study showed. As mentioned before, their results showed that cooperative goals would help Chinese employees to feel committed, motivated and makes them more willing to contribute to the organization where they are employed (Chen & Tjosvold, 2008). The results from the survey in this study, indicates that Chinese do not favor cooperative goals to individual goals, this may indicate that there is a change in the opinions, among Chinese people, regarding what kind of goals they prefer. Another possible explanation to this result may be that the types of goals which
Chinese people prefer are related to the age of the participants. Since the respondents to the survey in this study all were students, there is a risk that the survey missed out on many older age groups which may favor cooperative goals to individual goals.

6.2.5 Hypothesis 3

The third hypothesis (H3) is stated as follows: *Clear goals and rules will have an influence on employee motivation*

H3 was investigated during the survey with two different questions, which both describes the basic ideas from the Organizational Role Theory. Those questions were:

- “If you were working for an organization, how important is it for you to have clear rules and goals?

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important”

- “If you were working for an organization, how important is it for you that these goals are clearly communicated to you by your managers?

  Please grade from 1-7 with a circle. 1= Not important, 7= Very important”

A correlation test (Pearson) was done in order to test if there were any correlation between any of the above stated questions and the motivation factors. Table 12 below shows the outcome of the test.

**Table 12 – Correlations (Pearson) between goals and rules and motivation factors**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good salary</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other benefits</td>
<td>0.412</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career opportunities</td>
<td>0.979</td>
<td>0.179</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good working conditions</td>
<td>0.237</td>
<td>0.010**</td>
<td>0.539</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job security</td>
<td>0.71*</td>
<td>0.065***</td>
<td>0.085†</td>
<td>0.343</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appreciation of work done</td>
<td>0.033*</td>
<td>0.000***</td>
<td>0.910</td>
<td>0.196</td>
<td>0.745</td>
<td>0.100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieving goals</td>
<td>0.110</td>
<td>0.038*</td>
<td>0.068†</td>
<td>0.051†</td>
<td>0.587</td>
<td>0.210</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities at work</td>
<td>0.000***</td>
<td>0.001***</td>
<td>0.000***</td>
<td>0.000***</td>
<td>0.035*</td>
<td>0.550</td>
<td>0.773</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Goals and rules</td>
<td>0.292</td>
<td>0.604</td>
<td>0.957</td>
<td>0.368</td>
<td>0.874</td>
<td>0.011</td>
<td>0.581</td>
<td>0.802</td>
<td>1.000</td>
</tr>
<tr>
<td>Goals communicated</td>
<td>0.487</td>
<td>0.586</td>
<td>0.895</td>
<td>0.193</td>
<td>0.879</td>
<td>0.579</td>
<td>0.650</td>
<td>0.740</td>
<td>0.000***</td>
</tr>
</tbody>
</table>

**Notes:**
- 2. Other benefits (such as accommodation, food, transport)
- 8. Activities at work (such as table tennis, basketball etc.)
- 9. The importance of having clear goals and rules
- 10. The importance of having your goals clearly communicated to you
- †: p<0.1
- *: p<0.05
- **: p<0.01
- ***: p<0.001
As seen in table 12 above, there were a correlation between “The importance of having clear goals and rules” and “Appreciation of work done” on a statistically significance level of $p \leq 0.05$. By this one can draw an analysis that those Chinese people who believe that it is important to have clear goals and rules, also believe that appreciation of work done is an important motivation factor. In other words, people who prefer to work with clear goals and rules also find themselves motivated when they receive appreciation for what they have accomplished. Therefore, hypothesis 3 (H3) is accepted, clear goals and rules will have an influence on employee motivation.

The respondents, who found clear goals and rules to be important, also found appreciation of work done to be an important motivation factor. All managers from the case studies have claimed that in their company they work a lot with formal information, goals and rules. However, none of the Western managers did say that they believe that appreciation of work is an important motivation factor for their Chinese employees. This indicates that there is a information gap between the Western managers and the Eastern employees regarding motivation. Since all of the managers claimed that they use clear goals and rules, they should be aware of that those Chinese employees who find it important to have clear goals and rules also find appreciation of work done, to be an important motivation factor.

Looking at the rank of all the motivation factors, appreciation of work done has been ranked as the fifth most important of the eight different motivation factors (see table 5). However, there are big varieties between different groups. Looking once again at ranking of the motivation factors based upon demographics (table 6), one can see that males have ranked appreciation of work done as the third most important motivation factor while the female participants only ranked it as the sixth most important motivation factor. Earlier studies have shown some indications on differences, of preferences regarding motivation factors, between the genders (Kavanaugh, Duffy & Lilly, 2006; Islam & Ismail, 2008). The survey in this study also confirmed that there are differences; however, the reason to why there are differences between the genders is unclear.

Differences in rank of the motivation factor, appreciation of work done, was also found between the different age groups. While the respondents who were below 20 years of age ranked appreciation of work done, as the second most important motivation factor, the age groups of 21, 22 and over 22 years of age ranked it quite low. A possible explanation could be
that younger people are more insecure about themselves and therefore, values the others acceptance and appreciation higher than older people do.

A final observed difference between different demographics was found. Place of birth seems to have an impact on how high the participants rank appreciation of work done. The respondents who were born in Beijing have ranked appreciation of work done as the second most important motivation factor. The respondents from both Zhejiang and the respondents who were grouped into “Other provinces” ranked the motivation factor on the lower half of the scale (fifth and sixth most important). The fact that what motivates a person, differs between provinces is something which one of the managers confirmed as well. This indicates that this manager is well aware that they need different ways of motivating people across different provinces. The two other managers on the other hand, may not be aware of that people from different provinces may want to be motivated in different ways. This may be something for them to consider, if they will expand within China.

It should be said that no statistically significance on a level $p \leq 0.1$ or higher, were found between any of the other motivation factors and the questions regarding the “the importance of having clear goals and rules” or “the importance of having your goals clearly communicated to you”. All managers from the case studies pointed out that clear communication of the goals and rules is vital. However, no correlation between “the importance of having your goals and rules clearly communicated to you” and any of the motivation factor were found in this study. One can therefore not say that clear communication have an influence on what motivates Eastern employees. On the other hand, the Chinese population in this survey found both “the importance of having clear goals and rules” and “the importance of having your goals clearly communicated to you” of highly importance, this can be shown in table 13. This indicates that there is no gap between the Western managers and the Chinese population in this study regarding clear goals and rules and the importance of having them clearly communicated, even if it do not affect the Chinese population’s motivation. No bigger differences regarding neither “the importance of having clear goals and rules” or “how important is it that have your goals clearly communicated by your manager” were observed between the independent variables, which can be seen in table 13 below, where the results from the two questions regarding communication of goals and rules are shown.
Table 13 – The importance of goals, rules and communication

<table>
<thead>
<tr>
<th>How important is it to have your goals clearly communicated by your manager</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All participants</td>
<td>6.24</td>
<td>1.019</td>
<td>(6.02, 6.46)</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6.28</td>
<td>0.852</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>6.19</td>
<td>1.215</td>
<td></td>
</tr>
<tr>
<td>Province of birth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beijing</td>
<td>6.36</td>
<td>0.842</td>
<td></td>
</tr>
<tr>
<td>Zhejiang</td>
<td>6.23</td>
<td>1.118</td>
<td></td>
</tr>
<tr>
<td>Other provinces</td>
<td>6.20</td>
<td>0.957</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td>5.80</td>
<td>0.919</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>6.29</td>
<td>1.105</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>6.05</td>
<td>1.322</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>6.36</td>
<td>0.848</td>
<td></td>
</tr>
<tr>
<td>&gt;22</td>
<td>6.62</td>
<td>0.506</td>
<td></td>
</tr>
<tr>
<td>Job experience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No experience</td>
<td>6.19</td>
<td>1.056</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>6.67</td>
<td>0.500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Importance of having clear goals and rules</th>
<th>Mean</th>
<th>S.D</th>
<th>95% confidence interval on the difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>All participants</td>
<td>6.42</td>
<td>0.912</td>
<td>(6.22, 6.62)</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6.47</td>
<td>0.905</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>6.36</td>
<td>0.931</td>
<td></td>
</tr>
<tr>
<td>Province of birth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beijing</td>
<td>6.36</td>
<td>0.929</td>
<td></td>
</tr>
<tr>
<td>Zhejiang</td>
<td>6.59</td>
<td>0.787</td>
<td></td>
</tr>
<tr>
<td>Other provinces</td>
<td>6.16</td>
<td>1.068</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;20</td>
<td>6.20</td>
<td>0.789</td>
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</tr>
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<td>20</td>
<td>6.53</td>
<td>0.800</td>
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<td>21</td>
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<td>22</td>
<td>6.59</td>
<td>0.590</td>
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</tr>
<tr>
<td>&gt;22</td>
<td>6.62</td>
<td>0.650</td>
<td></td>
</tr>
<tr>
<td>Job experience</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>No experience</td>
<td>6.42</td>
<td>0.922</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td>6.44</td>
<td>0.882</td>
<td></td>
</tr>
</tbody>
</table>

6.2.6 Comparison between earlier scholars, managers and survey

Figure 5 below shows a comparison between earlier scholars and managers’ view as well as the results from the survey. The figure compares the views on: motivation factors, the “third culture”, cooperative goals and The Organizational Role Theory.
Explanation of the matrix follows below:

1) Important motivation factors for Eastern employees according to earlier scholars are: good salary, good working conditions, career opportunities and job security (Islam & Ismail, 2008).

2) The “third culture” is necessary to overcome cultural distance when operating in cross-cultural settings (Graen, Hui & Wakabayashi, 1996).

3) Cooperative goals is necessary when having Chinese employees (Chen & Tjosvold, 2008).

4) Role expectations and role behavior need to be identical to increase efficiency. Training will go on until expectations and behavior is identical (Katz & Kahn, 1966).

5) Important motivation factors for Eastern employees according to the managers are: good salary, other benefits, career opportunities and achieving goals.

6) 2/3 of the interviewed managers claim that the ideas of creating a “third culture” are important and need to be considered when managing in cross-cultural settings.

7) Cooperative goals is necessary when having Chinese employees according to all interviewed managers.

8) All managers claim that communication is the key to get the role expectations and role behavior identical.

9) Important motivation factors for the Chinese population participating in the survey. Those are: good salary, good working conditions, career opportunities and job security.

10) According to the findings from the survey, the Chinese population value the “third culture” highly important.

11) According to the findings from the survey, the Chinese population prefer competitive goals slightly higher than cooperative goals.

12) According to the findings from the survey, the Chinese population rank communication of goals and rules highly.
7. Conclusion

In this chapter a summary of the dissertation and a conclusion can be found. In addition to this one can also find, critical review, practical implications and suggestions for future research.

7.1 Summary of the dissertation and conclusion

This dissertation aimed to find an answer to the research question stated as follows:

*How do Western managerial practices influence Easter employees’ behavior in terms of motivation?*

The investigation in this dissertation was based on established theories which together were put into a new model. The purpose of the model was to bridge the West and East cultures together, which would result in an outcome of increased motivation of employees, as well as to investigate if there is a gap between the two cultures. The model was tested by performing both a qualitative and a quantitative choice of research method. The qualitative method was in form of in-depth interviews with three Swedish managers. The quantitative method was based on a survey with Chinese respondents. Two different perspectives regarding motivation of Eastern employees have been received. The first perspective is the Western managers perspective, and the second perspective is the perspective of the Chinese respondents. Findings from the quantitative study have shown to be similar, but not identical, with Islam and Ismail’s (2008) earlier study regarding motivation of Eastern employees. The Chinese population’s preferences regarding motivation were similar with the Swedish managers believes on what motivates Easter employees in some factors, those factors were career opportunities and good salary. However, there were eight different motivation factors tested in the quantitative study; four of them were mentioned in the case studies and the rest of them were taken from earlier scholars regarding motivation. Other benefits (such as accommodation, food, transport) and achieving goals were also mentioned by the Sweden managers to be important motivation factor for Eastern employees. The findings from the survey did not confirm this; therefore, one can say that there is a gap regarding motivation of Eastern employees, between the Western managers and the Eastern population.
Three hypotheses were tested in order to compare the Eastern employees and Western managers view on the model and motivation of Eastern employees.

H1. The “third culture” as a management tool will have an influence on employee motivation- Accepted

H2. Cooperative goals will have an influence on employee motivation- Rejected

H3. Clear goals and rules will have an influence on employee motivation- Accepted

In one of these hypotheses, hypothesis 2 (H2), no correlation was found between cooperative goals and employee motivation. This finding contradicts what both earlier scholars have shown and the Western managers beliefs regarding which type of goals that Eastern employees prefers. The Chinese population valued cooperative goals lower than individual goals, this strongly indicates a gap between the views. On one side, the theories and the Western managers view cooperative goals as the type of goals to use for Eastern employees. On the other side, the Eastern population prefer competitive goals slightly higher than cooperative goals. However, two hypotheses were accepted, H1 and H3. Hypothesis 1 (H1)
found that there is a correlation between “The importance of that managers accept and compromise to cultural differences” and the motivation factor “Other benefits (such as accommodation, food, transport)”. One manager mentioned other benefits as an important motivation factor, and this was the only motivation factor which had a statistically significance with the questions regarding the “third culture”. Since many respondents in the survey found the creation of a “third culture” of high importance, one would expect that the manager also considered the “third culture” when managing Eastern employees. In fact, this manager did not confirm the “third culture” during the in-depth interview, and one can therefore draw a conclusion that there is a gap. However, two managers, confirmed that the “third culture” is of high importance when managing Eastern employees. This goes in line with earlier studies performed by Graen and Hui (1996). Since many of the respondents also found “the third culture” as highly important, one can draw an analysis of that this can be a tool for overcoming cultural differences.

The third hypothesis (H3), found that there is a correlation between “The importance of having clear goals and rules” and “Appreciation of work done”. None of the Western managers did say that they believe that appreciation of work done is an important motivation factor for their Chinese employees. However, all Western managers pointed out that they use clear goals and rules for their Chinese employees. Appreciation of work done was ranked differently across the different demographic groups (independent variables). Those who ranked it highly also believed that it is important to have clear goals and rules. Since, many of the respondents value the importance of having clear goals and rules highly, managers should consider of using appreciation of work done as a motivation factor. This would increase the employee motivation. Today, there is a gap in this aspect since none of the managers see appreciation of work done as something that motivates their Eastern employees.

7.2 Critical review

The purpose of this dissertation was to explore the gap between Western managerial practices and Eastern employees’ behavior in terms of motivation. The findings from this study indicated that Western managerial practices have an influence on Eastern employees’ behavior in terms of motivation. However, according to the small sample group from the case studies, the results cannot be generalized. The results from the survey, may give indications to limited generalizations, but not to a whole population.
Some critical reflections from this study are that the companies participating in the case studies were selected by a combination of purposive sampling and convenience sampling. Companies were selected for in-depth interviews if they had operations in China. According to this fact, and that the there were only three companies participating in this study, they do not represent all Western companies established in China. In this study there were only small and medium sized Swedish firms. Another thing that may affect the results is that the interviews were performed in Sweden, and not in China. The reason for this was that there were financial limitations for this study.

Critical reflections from the survey are that the participants were 83 Chinese exchange students in Sweden. They may not represent the whole population of The People’s Republic of China. Therefore, this study can only give indications of limited generalizations. Another thing may be that the students participating in the survey were chosen by self-selection and convenience sampling. This could possible affected the results from the survey. The choice of data collection was also limited due to financial limitations.

Since time constrains in this study were a matter of fact, one could expect to have a larger sample group both from the case study and from the survey if the time horizon were longitudinal instead of cross-sectional, like in this study. The use of a longitudinal time horizon may also result in generalizations.

### 7.3 Practical implications

The aim of this study was to explore the academic gap in the research field of Western managerial practices and Eastern employees’ motivation. This study was limited to only Swedish companies. Earlier studies regarding motivation of Eastern employee motivation in cross-cultural settings have focused on foreign companies from U.S or other European companies established in China. However, generalizations on all Western countries cannot be done, therefore, this study has some academic value.

Earlier scholars have suggested the building of a “third culture” and the usage of cooperative goals when managing Eastern employees. This study has strengthened the theory of the “third culture”. Both managers and the studied Chinese population have confirmed that the creation of a “third culture” is of high importance. Therefore, it is crucial for members of a cross-cultural organisation to accept, adapt and compromise to cultural differences in order to bridge and transcend two cultures together into a new “third culture”. This “third culture” should be based on fundamental characteristics of both original cultures.
Earlier scholars have pointed out the importance of having cooperative goals to increase employee motivation. Chen and Tjosvold (2008) have studied the impact of cooperative goals on Eastern employees. Their suggestion is that these, cooperative goals, are the type of goals which fit with the collectivistic Chinese mind-set (Chen & Tjosvold, 2008). However, this study has not confirmed those results. Instead, there are indications that at least a younger generation of Chinese people prefer competitive goals to a slightly higher degree than cooperative goals.

The analysis and conclusions from this dissertation may be of some value for Swedish managers. The value in this dissertation lies in that it can give a hint, regarding motivation of Eastern employees, to managers of companies which operate in China; managers should not only consider established theories in their managerial practices. Since, some theories studied in this dissertation have not been confirmed. On the other hand, one should not reject established theories, since they can be of great value to the managers. Managers should consider theories, but also try to adjust them in order to make them better fit their specific business.

7.4 Future research

It would be interesting to perform this study in a larger scale, which should make it possible to draw general analysis, since one could use a larger sample group. It would be interesting to see if more respondents for the survey, more companies for the case studies would have an effect on the results? For example it could be people from all provinces and different age groups. Another thing, was that the respondents of the survey were exchange students from China. Perhaps, there will be different results if the respondents already had some job experience?

For the case studies, more companies and sectors could be studied. Another thing that would be interesting to investigate would be to perform a similar study in a couple of years, since China is a developing country with big and fast changes. Will the results be the same in a couple of years?

It would be interesting to study and follow a couple of companies while they are implementing the ideas of the “third culture”. How will this affect employee motivation and firm performance? How long does it take to create a “third culture”? Will the creation of a “third culture” always result in an increased employee motivation, or, are there cases where the “third culture” has no effect, or, perhaps a negative effect on employee motivation?
With increasing Chinese investment in Europe and America, it would be interesting to perform a similar study, but the other way around. To study Chinese companies which make business in the West and have Western employees. Would an Eastern company in a Western country have the same challenges as the Western companies have in Eastern countries? Would it still be important of creating a “third culture” or, are there any other ways which would be more suitable?
References


Appendix 1

Survey (English)

Q1. Gender

☐ Male
☐ Female

Q2. Province of birth

...........................................................................................................................................................................................

Q3. How old are you?

................................................................................................................................................................................................

Q4. Years of job experience? (If any, if none please write 0)

................................................................................................................................................................................................

Q5. When you think of your future employment, how important are the following factors to you? Please rank them were 1= Least important, 8= Most important

☐ To receive a good salary
☐ Other benefits (such as accommodation, food, transport)
☐ To be given career opportunities (chance for promotion and/or learning new things)
☐ To have good working conditions
☐ Job security
☐ Appreciation of work done
☐ Achieving goals
☐ Activities at work (such as table-tennis, basketball et cetera)

Q6. If you have a non-Chinese manager when working in an organization, how important is it that he/she understands your culture?

Please grade from 1-7 with a circle. 1= Not important, 7= Very important

1----2----3----4----5----6------7

Q7. Let us say you were working in an organization with both non-Chinese and Chinese employees. How important is it then for you that people within this organization accept cultural differences and make compromises to the two different cultures? (That is to say, one culture is not dominating over the other culture)

Please grade from 1-7 with a circle. 1= Not important, 7= Very important

1----2----3----4----5----6------7
Q8. If you were working for an organization, how important is it for you to have clear rules and goals?

Please grade from 1-7 with a circle. 1= Not important, 7= Very important

1-----2-----3-----4-----5-----6-----7

Q9. If you were working for an organization, how important is it for you that these goals are clearly communicated to you by your managers?

Please grade from 1-7 with a circle. 1= Not important, 7= Very important

1-----2-----3-----4-----5-----6-----7

Q10. If I were working in an organization I would prefer shared goals with my fellow employees.

Please grade from 1-7 with a circle. 1= Disagree, 7=Agree

1-----2-----3-----4-----5-----6-----7

Q11. If I were working in an organization I would prefer to have my own individual goals.

Please grade from 1-7 with a circle. 1= Disagree, 7=Agree

1-----2-----3-----4-----5-----6-----7

Thanks for your cooperation in this study!
Appendix 2

Survey (Chinese Mandarin)

Q1. 性别

☐ 男
☐ 女

Q2. 出生省市


Q3. 年龄


Q4. 工作经验（如果没有，请写0）


Q5. 在你未来的工作中，下列因素对你来说有多重要？请将下列因素按各自的重要程度排序（1-8），8=最重要

☐ 高薪
☐ 其它奖励（住房，交通）Other benefits (such as accommodation, food, transport)
☐ 升职或/和学习的机会To be given career opportunities (chance for promotion/and/or learning new things)
☐ 优越的工作条件To have good working conditions
☐ 稳定性Job security
☐ 上司的赏识Appreciation of work done
☐ 达到目标Achieving goals
☐ 集体活动（乒乓球，篮球等娱乐活动）Activities at work (such as table-tennis, basketball et cetera)

Q6. 如果你的上司不是中国人，那么他/她对中国文化的了解对你来说有多重要？

在你选择的数字上画圈。1= 不重要, 7= 非常重要
Q7. 如果你在一家文化多元化的公司中工作，有中国员工也有外国员工，那么公司的员工能够尊重和适应所存在的文化差异对你来说有多重要？(也就是说，两种文化共存，并不互相压制)

在你选择的数字上画圈. 1= 不重要, 7= 非常重要

1-----2-----3-----4-----5-----6------7

Q8. 当你在一家公司中工作时，有清楚的目标和规章制度对你来说有多重要？

在你选择的数字上画圈. 1= 不重要, 7= 非常重要

1-----2-----3-----4-----5-----6------7

Q9. 当你在一家公司中工作时，上司能够将公司的目标和规章制度清楚的传达给员工对你来说有多重要？

在你选择的数字上画圈. 1= 不重要, 7= 非常重要

1-----2-----3-----4-----5-----6------7

Q10. 当你在一家公司中工作，你希望和自己的同事有共同的工作目标。

在你选择的数字上画圈. 1= 不同意, 7= 非常同意

1-----2-----3-----4-----5-----6------7

Q11. 当你在一家公司工作中，你希望能够有你自己的工作目标。

在你选择的数字上画圈. 1= 不同意, 7= 非常同意

1-----2-----3-----4-----5-----6------7

谢谢你的合作与参与！
Appendix 3

Questions for the in-depth interviews

Introfrågor

Berätta lite kort om företaget och din position i detta företag? Hur nådde du denna position du har nu?

Berätta om hur ni leder era anställda?

Vilka konsekvenser har ni sett till följd av att ni har kinesiska anställda i ert företag?

Frågor ang. Cultural differences

Vilka skillnader/ likheter ser ni mellan Er och kineser?

Ge något/några exempel på likheter eller skillnader mellan svenska och kinesiska anställda?

Hur märker man av kulturella skillnader inom företaget och hur påverkar det den dagliga verksamheten och ledarskapet i företaget?

Hur hanterar ni sedan detta? – Svaren på föregående fråga

Frågor ang. Role expectations

Hur kommunicerar ni mål och förväntningar på kinesiska anställda?

Ser ni några skillnader mellan vad som förväntas av era kinesiska arbetare och vad som presteras? Vad?

Frågor ang. Management know-how & employee skills

Vad anser ni är det viktigaste kineserna tillför organisationen?

Vad anser ni att ni är det viktigaste som ni, svenska managers tillför organisationen?

Frågor ang. ”Third culture” & cooperation

Har ni gjort några kompromisser för att kulturerna ska närma sig varandra(integrierar med varandra), eller är det en av kulturerna som behöver närma sig den andra?

Vilken typ av mål arbetar ni med för anställda?

Frågor ang. Motivation

Vad tror ni påverkar kinesernas arbetstillfredsställelse?

Vad har ni gjort för att påverka arbetstillfredsställdelen hos era anställda?
Vad tror ni påverkar era kinesiska anställdas engagemang?

Vad har ni gjort för påverka engagemanget?