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Rewarding and Recognizing Employees:
How IT Professionals in Sweden and in Finland are Motivated and
Prefer to be Rewarded

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Abstract

Title

Rewarding and Recognizing Employees: How IT Professionals in Sweden and in Finland are motivated and prefer to be rewarded

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Supervisor

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Course

Master Thesis in Business Administration

Purpose

With this thesis we want to investigate through an empirical and a theoretical study how IT professionals in Sweden and in Finland are motivated and how they prefer to be rewarded and recognized.

Method

The methodology for this thesis is both a quantitative and qualitative research methodology. The data was collected through questionnaires which contained multiple choice questions and open questions. The Statistical Analysis of Data presentation was performed for the multiple-choice questions and Qualitative analysis for the open questions.

Conclusions

Motivating, recognizing and rewarding IT-professionals is a severely complicated issue of great importance to both employers and employees. IT-professionals does not appear to be fully motivated and recognized and they would do a better work if they where, according to them self. It is important that the management in the organizations dedicate time and interest to their employee’s individual needs and to improve their motivation. By doing so, the quality of work and efficiency might be improved.

Key Words

Information technology, motivation, rewards and recognition
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Nghi Tran  

Yecenia Rivera Ortiz
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1 Introduction and Literature Review

Most business and organizations strive to improve quality and performance of their products, services, internal or external operations. The reasons for this can be various, depending on the goals the business or the organization have set. Important goals could concern an effort to assure a firm and stable ground in the market or to improve cost-effectiveness. The competition between organizations and business can be a difficult task, and make it difficult to reach higher goals and development (Bolman 1997).

One strategy for reaching higher goals and development is motivation. Employees who are motivated produce a higher quality of work and effectiveness which means that motivation is a key factor for progress within an organization or business. A profound knowledge of motivation and its meaning is therefore essential for success and development (Paré 2001, De Cenzo 1996).

Motivating employees is a key factor for a company to success in their business. The authors are planning to open their own companies in Sweden and Finland. In order to manage and run their companies well, they are very interested and would like to know and understand how to motivate their employees, how to reward and recognize them. It is very good for them to dig deeper in reward and recognition, which might be valid and valuable in their future as a manager of their own small venture.

1.1 Motivation – Definition and Theories

Motivation is a complex phenomenon which is influenced of individual, cultural, ethnic and historical factors. According to De Cenzo et al., (1996), people who are motivated use a greater effort to perform a job than those who are not motivated. Motivation can be defined as “a series of energizing forces that originate both with and beyond an individual’s self”. These forces determine the person’s behavior and therefore, influence his/her productivity (Jackson, 1995). In other words this means that all thinkable factors of physical or psychological aspects that we interact with, leads to a reaction within our self or of the entire organization.
This reaction can be either positive or negative and lead to an increased or decreased productivity and motivation. Energizing forces can therefore be anything from the work environment to the charisma of the management and so on.

Another definition for Motivation is “the willingness to do something, conditioned by the action’s ability to satisfy some need”. Although in a basic sense this definition is correct, it needs to be modified for organizational reasons, that is, the effort that employees make can be misguided. Therefore, it must be focused toward some organizational goals and at the same time must satisfy both organizational and individual needs (De Cenzo et al., 1996).

Motivation was in the beginning of the 1900 thought only to be monetary. It was discovered during the 20-th century that there are more factors than just money to motivate employees. The employees’ satisfaction with their job is an important indicator for a good job performance and that happy employees are productive. It is also concluded that motivation is a psychological factor and is affected by the workers mental attitude and health (Latham and Ernst, 2006).

In order to be motivated, a person needs to have certain basic needs fulfilled. If these needs are lacking, a persons self esteem and self actualization can not develop. This could result in lack of interest to progress and develop, both professionally and personally. There are several theories of human needs which are the foundation of motivation (Latham and Ernst et al., 2006).

1.1.1 Abraham Maslow: Hierarchy of Needs

Five needs rank in a hierarchical order from lowest to highest: physiological, safety, belonging, esteem, and self-actualization. An individual moves up the hierarchy, when a need is substantially realized (Shah, K. and Shah, P.J., 2007).
Figure 1: Maslow’s Need Hierarchy

1. Physiological needs: The basic physical needs for sustaining the human life. For example food, water, sleep, medicine, education (Shah, K. and Shah, P.J. et al., 2007; Latham and Ernst et al., 2006).

2. Safety needs: To be free of physical danger and of the fear of losing a job, property, food or shelter. To protect against any emotional harm. To have a safe home, secure income, sufficient salary, benefits and medical insurance (Shah, K. and Shah, P.J. et al., 2007; Latham and Ernst et al., 2006).

3. Social needs: Because people are social beings, they need to belong and be accepted by others. They like to have family and friends. People try to satisfy their need for affection, acceptance and friendship. Interaction and cooperation with coworkers and leaders (Shah, K. and Shah, P.J. et al., 2007; Latham and Ernst et al., 2006).

4. Esteem needs: To be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige status and self-confidence. It includes both internal esteem factors like self-respect, autonomy, achievements and external esteem factors such as states, recognition and attention (Shah, K. and Shah, P.J. et al., 2007; Latham and Ernst et al., 2006).

5. Self-actualization: This is the highest need in Maslow’s hierarchy. This need is to fulfill one’s potential and self-fulfillment and maximize one’s potential and to accomplish something. Employees in this rank try to maximize their knowledge, skills and performance to do a good job (Shah, K. and Shah, P.J. et al., 2007; Latham and Ernst et al., 2006).
There are some criticisms to Maslow’s theory. There are arguments that there is still no adequate empirical verification to support Maslow’s theory and framework (Bowditch, 1997). It also concerns the numbers of levels where research suggests that there maybe only two or three levels instead of five levels (Aamodt, 2007). Thirdly concerns the methodology, where the numbers of people included are small and by Maslow himself declared self-actualizing. This methodology might be a suboptimal sample, scientifically spoken (Boeree, 2006). Maslow also predicts that human beings will move up the hierarchy, satisfying one need before moving on. There are many examples of people who exhibited at very least aspects of self-actualization and they were far from having their lower needs taken care of. Many artists and scientists, (Van Gogh and Galileo, for example), suffered from mental illness, and yet were able to produce works that changed the world (Boeree et al., 2006). Maslow’s theory predicts that once the needs at one level are satisfied, the next needs level should become more important. Researches have shown that this does not necessarily happen (Aamodt et al., 2007).

Although, Maslow’s theory is still useful in certain areas, the main strength of this theory is the recognition and identification of individual needs for the purpose of motivating behavior (Bowditch et al., 1997).

1.1.2 Douglas McGregor: Theory X/Theory Y

McGregor’s theory, which is built on Maslow’s theory, adds a central idea: that managers’ assumptions about their employees can effect their motivation. This theory proposes two alternative and extreme views to see the human being: Theory X and Theory Y. According to Theory X the employee is viewed as mainly negative, lazy, resist change and unable to motivate. This produces a controlled environment with strict rules, threats and punishments. Employees in an organization like this tends to perform less effective, gives low productivity, produces aggressions and conflicts (Bolman et al., 1997). Theory Y on the other hand strives to maximize the employee’s individual goals and efforts by giving workers greater job involvement and autonomy. This means that employees are given the possibility to grow and achieve their own goals within the organization. Employees are viewed as positive and open to development. The management’s goal is to make the employee happy and satisfied with their work and performance (Bolman et al., 1997; Matteson 1999).
Nowadays, Douglas McGregor theories are seldom used because this theory has been influenced during the past decades by many new ideas and modern theories. This theory has also been criticized of being too black and white in its division of employees and managers. However, Theory X and Theory Y are still important terms in the field of management and motivation. Taken not too literally the theory can provide a useful tool for the motivation and management research (DefineThis, 2007). In addition, these theories remain as a guiding principle of positive approaches for management, to organizational development and to improve organizational culture (Wikipedia, 2007a).

1.1.3 Frederick Herzberg: Motivation-Hygiene

Herzberg argues that intrinsic job factors are motivating, whereas extrinsic factors only placate employees. In this theory there are two group factors. The first one is motivating factors or satisfaction, which include (Wikipedia, 2007b):

- Achievement
- Recognition
- Work itself
- Responsibility
- Promotion
- Growth

The second one is hygiene factors or dissatisfaction, hygiene factors can be defined as the following:

- Pay and benefits
- Company Policy and Administration
- Relationships with co-workers
- Physical Environment
- Supervision
- Status
- Job security

The absence of money as a hygiene factor, will lead to dissatisfaction and prevent to motivate the worker (Wikipedia, 2007b). Money is also used to motivate an individual
to perform a task. More money is often offered to an individual for to do the task again (Examstutor, 2007).

According to Herzberg, the workers get motivated when they are responsible for their work. He also proposed that managers can give their employees more authority to their job and offer them direct and individual feedback in order to motivate and help employees to connect to their work (Wirralmet, 2007). Furthermore, Herzberg also recommended that the job should have sufficient challenge to utilize the full ability of the employee. If the job is not sufficient challenge enough and not use an employee’s full abilities, the company should replace the employee with the one who has a lower level of skill to do the job (NetMBA, 2007).

Most empirical studies have refuted predictions based on Herzberg’s theory. According to Herzberg’s theory, he concluded that hygiene factors are related with dissatisfaction rather than satisfaction. However, recent researches have found contradictions and opposite with his theory. This theory also got criticism in its methodology leading to limitations on the results (Bowditch et al., 1997).

Another problem with Herzberg’s theory is that some employees show no particular interest in such motivators as opportunity for growth and advancement (Dubrin, 2002). In spite of criticisms, Herzberg’s theory provided a new way of thinking about worker motivation and his theory remains as an influential factor in attempts to make the motivation theory in an organizational way (Dubrin et al., 2002).

Herzberg’s theory implication in real work life for a manager and management in the company who want to motivate their employees would include these activities: provide the employees with good compensation, flexible company policies and being connected to their own employees. In addition, the manager also recognizes the good work from their employees and gives their employees the opportunities to grow and develop their skills, knowledge and experience.

1.1.4 David McClelland: Achievement, Affiliation, and Power Motives

McClelland proposes that there are three major needs in workplace situations: achievement, affiliation, and power. A high need to achieve has been positively related
to higher work performance when jobs provide responsibility, feedback, and moderate challenge (Kreitner, 2002).

- The need for achievement: The desire to accomplish something difficult, to overcome obstacles and attain a high standard, to excel, to rival and surpass others.
- The need for affiliation: The desire to form and maintain a few lasting, positive and important interpersonal relationships.
- The need for power: The individual’s desire to influence, coach, teach, or encourage others to achieve.

According to David McClelland, the success will come if the employee is dedicated to the company, committed to the work ethic and unflagging in energy and devotion. However, the increasing popularity of switching jobs as a method of rapid advancement and the rapidity of change in organizations somewhat contradicts this type of thinking (Stuart, 2007).

1.1.5 J. Stacey Adams: Equity Theory

According to equity theory, introduced by J. Stacy Adam, stated that employees compare the ratio of their inputs (efforts) and outcomes (rewards) to the input-outcome ratios of other employees who are viewed as comparable to themselves. (Bowditch et al., 1997)

\[
\frac{\text{Outcomes}}{\text{person’s own inputs}} = \frac{\text{Outcomes}}{\text{comparable other’s input}}
\]

Education, experience, job qualifications, skills, etc. are the input to the job by employees. The outcomes of the employees receive from the job are: pay, benefit, rewards, intrinsic job factors, etc.

The equity happens when an employee compares the outcomes/ person’s own inputs ratio is equal to the ratio of the other employee outcome to inputs. The inequity happens if the ratio is not equal. For example, an IT professional senior engineer with many years of working experiences and high education get the same salary as a new or
recent graduated junior engineer, the senior engineer will perceive it as an inequity and therefore unjust.

When the employee perceive an inequity, he or she will do in one of the following actions: (Dubrin et al., 2002)

- Alter the outcome: An underpaid person will ask for more salary or bonus, promotional opportunities, or vacation time.
- Alter the inputs: An underpaid person or a person who feels treated inequitable might decrease effort or time devoted to work. Someone even create faking sick days to take care of personal business.
- Distort the perception: a person, who feels of inequity, can distort his or her perception of their own or other’s inputs or outcomes.
- Change the reference source: he or she can change to another reference source whose outcome/input ratio is similar to his or her own.
- Leave the situation: a person who feels of inequity, can choose to quit a job and get greater equity in another.

There is very little application of Equity theory in the workplace. Furthermore, the individuals are very sensitive with inequity. It is better to identify those inequities and have some research before some application can be applied (“Motivation to Work”, 2007).

1.1.6 Victor Vroom: Expectancy Theory

Vroom proposes that motivation is a function of value of effort-performance and performance-rewarded relationships. Expectancy theory emphasizes the role of individual perceptions and feelings (expectations of particular results) in determining motivation and behavior.

The best way to view the expectancy theory is with the acronym VIE, which stands for: Valence, Instrumentality, and Expectancy, where (Bounds, 1995):

- **Valence** is the value or anticipated satisfaction that an individual attaches to an outcome.
- **Instrumentality** is the possibility that a doing well performance will yield the valued outcome.

- **Expectancy** is the possibility that a certain level of effort will result in successful behavioral performance.

One criticism of the expectancy theory is that this theory focuses on individual perceptions of the work environment and the interactions of that context with one's personal expectations. In addition, empirical support for the concepts of expectancy, instrumentality, and valences has been rather broad. Also the expectancy theory does not specify which outcomes which are relevant to individuals in any situation (Enoch, 2005). Despite the criticism, Expectancy Theory is still one of the most useful for predicting employee behavior (Aamodt et al., 2007).

### 1.2 Intrinsic versus Extrinsic Motivation

Bounds et al. (1995) define intrinsic motivation as the process of being motivated is based on the satisfaction derived from the behavior itself, at the other hand, extrinsic motivation suggests that our behavior is designed to please others rather than ourselves to get certain rewards. Bounds et al. (1995) describe that one of the deficiencies of expectancy theory makes the managers think that all kind of behavior is motivated by extrinsic rewards.

Figure 2 summarizes the difference between intrinsic and extrinsic motivation:

![Figure 2 Differences between Intrinsic and Extrinsic Motivation](image)

*(Bounds et al., 1995)*
1.3 Motivational Factor

A survey result conducted by Kovach in 1946 indicates ten motivational factors that employees were asked to rank in term of personal preference.

The following resulted showed as follow:

- Full appreciation of work done;
- Feeling of being in on things;
- Sympathetic help with personal problems;
- Job security;
- Good wages;
- Interesting work;
- Promotion and growth in the organization;
- Personal Loyalty to employees;
- Good working conditions;
- Tactful discipline

In 1946 “full appreciation of work done” was the top motivation factors. Good wages ranked at number 5 and interesting work ranked at number 6.

A same survey was given to employees in 1980, 1986 and 1992 was conducted by Wiley. By 1980 and 1986 “interesting work” was the top motivation factor, “full appreciation of work done” ranked at number 2 and job security, good wages ranked at number 4 and 5. In 1992, the result showed that “good wages” was the top motivation factor followed by full appreciation of work done and job security.

Another survey was conducted by Arnold Keller to Info systems programmer personnel. He found that “interesting work”, “good wages”, and promotion and growth in the organization” was the top motivating factor (LeDuc, 1980).

Earlier research in the United States has shown that employees who find their work interesting and challenging are also motivated to do a good work. What defines an
interesting or challenging work can only be done by the employee himself. It could be the possibility to work with technical opportunities, to expand their knowledge and so forth (Ferratt, 1999).

1.4 Motivation through Financial Incentive

According to Dubrin (2004), the motivation through financial incentive include: Linking pay to performance, stock option and gain sharing.

- **Linking pay to performance:** Linking pay to performance generally motivates people to work harder. Ratings are viewed by managers on employee development, team productivity, and leadership. Merit pay for both individuals and the team is based on actual results. Merit pay runs from 5 percent to over 15 percent of total compensation.

- **Stock Option:** Stock options give the employees the right to purchase certain of company shares in the future at the specified price. Stock options also are used to attract and retain employees, as well as reward them. For example, many IT workers in Silicon Valley became rich or millionaires with their stock option.

Gain sharing is a formal and win-win program that allows employees to participate financially in the productivity, both the employer and the employee benefit from increased productivity, thus enhancing motivation.

In the future and in today’s global organizations motivation could no longer depend on traditional leadership. It is more likely that motivation and leadership will rise from within groups and in the interaction with coworkers rather than from executives. There is already evidence to support this development (Latham and Ernst *et al.*, 2006).

1.5 Individual Factors and Motivation

According to Colin Pitts (1995) there are some forms of recognition that really only work for individuals including personal skills and promotion. With personal skill, the individuals feel motivated having given chance to show his personal talent in the wider area than his normal work groups. Colin Pitts debates effectiveness of promotion as a factor of individual recognition.
The literature indicates that individual factors are essential in motivating employees. The motivation factors of the individual and the group are different because the goals are not at the same level. An individual will try with his or her best to get higher level needs and these needs are not always consistent with the needs of the group (Herselman 2001).

A group is defined according to four criteria that must be met:

- The members of the group must see themselves as a unit.
- The group must provide rewards to its members.
- Anything that happens to one member of the group affects every other member.
- The member of group must share a common goal.

According to Aamodt et al. (2007), the first criterion is that the group must have multiple members. One person can not form a group; the group has at least two people. The group of 2 people called as a dyad, 3 people as a triad and 4 to 20 people called as a small group.

The second group criterion is that membership must be rewarding for each individual in the group. Furthermore, people will join or form a group only if it provides some form of reward. The third group criterion means that if something significant happens to one person and does not affect any of the other people gathered with her, then the collection of people cannot be considered as a group. The fourth and final criterion is that all the members have a common goal; the members cannot form a group if they work in different ways and for different reasons.

According to Dubrin et al. (2002), a team is a special type of group. In a team, team members are working for a common purpose. However, groups and teams can also be differentiated in other ways.
The difference between groups and team is shown below in Table 1:

<table>
<thead>
<tr>
<th>Groups</th>
<th>Teams</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong, clearly focused leader</td>
<td>Team leader shares leadership roles</td>
</tr>
<tr>
<td>Individual accountability</td>
<td>Individual and mutual accountability</td>
</tr>
<tr>
<td>Individual work-products</td>
<td>Deliver actual joint work products</td>
</tr>
<tr>
<td>Runs efficient meetings</td>
<td>Encourages open-ended discussion and full participation in problem solving</td>
</tr>
</tbody>
</table>

**Table 1: Difference between groups and teams (Dubrin et al., 2002)**

According to Dubrin et al. (2002), there are four representative of work team: cross function team, top management team, affinity group, and virtual team.

*Cross function team*: A cross function team is a work group composed of workers from different specialties who come together to fulfill a task. In order to perform well on a cross-function team, a person should have to think and contribute for his organization rather than his or her own specialty.

*Top management team*: Top management team is a group of managers/executives working together within the same organization. However, this kind of team sometimes has difficult to get good cooperation and team spirit because of strong personalities and the members in the team have their own agenda.

*Affinity group*: Affinity group is a group composed of professional –level (or knowledge) workers who work as self-directing and has a formal charter.

*Virtual team*: A virtual team is a small group of people who conduct almost of their collaborative work by electronic communication rather than face to face meeting. For example in high-tech or IT companies have been conducted virtual team nowadays.

In conclusion, in order to get motivation and strong satisfaction in the workplace, the individual should like the job what is doing, and he or she also believe that he or she
make a good contribution for the company or organization. The employee also feels that the job is challenging and demanding. The manager of the company should give the job suitable with her or him capability and responsibility. He or she also gets recognition from his or her contribution for a company.

In order to get motivation for a team or group, the team member also should trust their manager, they also feel the job they are doing is interesting and meaningful, and the team members also get the reward and recognition with their effort and contribution for the company or organization. Team members have also mutual respect each other. The company also provide good working environment for the team, group and individual to work.

In attempt to motivate, employers can use rewards and recognition to motivate employees.

1.6 Rewarding

According to Colin Pitts et al. (1995) reward is the benefit that arise from performing a task, rendering a service or discharging a responsibility. In general, the principal reward is pay. Besides the pay, employers also quite often offer the whole reward package that include not only wages and salaries but many other rewards such as bonus, pension scheme, health insurance, allocated cars, and mortgage assistance, beneficial loans, subsidized meals, and profit sharing, share schemes, share options and so on.

There are two kinds of rewards including: intrinsic rewards and extrinsic rewards. Intrinsic rewards are the satisfaction or accomplishment an employee gets from the job itself. For example, an employee works overtime because he or she likes the job that he or she is doing. He or she also motivates with the challenging project, the opportunities for learning and personal growth from the project (Pitts et al., 1995).

A survey of IT professionals working in state agencies and universities of Louisiana, USA, conducted in 2002, showed that employees were mostly satisfied with intrinsic factors, such as: the technical aspects of the work and working with new technologies, the intellectual challenge and creativity require to solve complex technical problems,
the constant learning and master skills related to new technologies, and a sense of contribution and pride in their accomplishment. (Pawlowski, 2005)

Extrinsic rewards are rewards an employee gets from the employer such as praise, money, a promotion, or benefits, etc. For example, an employee works overtime because he or she wants to get more money or overtime payment (Pitts et al., 1995).

A survey also shows that the employees also satisfied with extrinsic factors, such as working environment, their co-workers and the professional work climate, benefits, job securities and flexible/normal work hours (Pawlowski et al., 2005). Another study performed by Baer (2003), showed that extrinsic rewards were positive for employees occupying simple jobs and negative for employees having jobs that were difficult and challenging.

**Figure 3 Structures of Rewards** *(Source De Cenzo/Robbins et al., 1996)*

Extrinsic rewards are divided into two groups: Financial and Non-financial rewards.

*Financial rewards* can be financial directly or indirectly. The employees can get directly financial reward such as wages, bonuses and profit sharing. They can also get
indirectly supportive benefits such as pension plans, paid vacations, paid sick leaves and purchase discounts. (De Cenzo/Robbins et al., 1996)

Research shows that some employees are motivated by financial rewards and that money is a strong motivator for them. A survey that was conducted in Malaysian organizations found that most of the employees prefer to have a cash reward. (Rafikul, 2004).

*Non-financial rewards* such as having lunch with the boss of the company or preferred lunch hours, receiving the office furnishing, having a change to work with congenial colleagues, and achieving a desired work assignments or assignments where the worker can operate without close supervision. Non-monetary rewards can help to build feelings of confidence and satisfaction in the employees. Research has revealed that non-monetary awards may be more rewarding than monetary awards to many employees (De Cenzo/Robbins et al., 1996).

According to a survey conducted in 2000 by Watson Wyatt to 410 North American companies and 3,600 of their top performers, the survey found that three commonly used non-monetary rewards by employers include advancement opportunities (76 percent), flexible work schedules (73 percent), and opportunities to learn new skills (68 percent) (Rowe, 2001).

**1.7 Recognition**

Recognition is also a strong motivator, because it is a normal human need to long for. Dubrin *et al.* (2004) states that ‘*motivating others by giving them recognition and praise can be considered a direct application of positive reinforcement*’. Studies conducted since 50 years ago have indicated that employees welcome praise for a job well done as much as they welcome a regular paycheck (Dubrin *et al.*, 2004). Recognizing an employee can be seen as expressing appreciation for his or her efforts, is a good and positive practice for both parts (Bowen, 2000). Recognition must be consistent, given in a regular basis, and most important, part of the organization.

There are two kinds of recognitions: informal recognitions and formal recognitions. *Informal recognition* can be described as an individual thing. It could be from a work partner to another, from a manager to his or her subordinate.
Bowen et al. (2000) underlines some examples of informal recognition, as follows:

- Time off with pay
- Lunch “on the house”
- Cards and letters for all occasions (Birthdays, Thank You Notes)
- Certificates for outstanding service, ideas, top productivity (giving the extra mile)

*Formal Recognitions* are concentrated from an organizational achievement perspective, where employees are recognized when they achieve organizational objectives, when they meet performance goals, solving departmental organizational problems (Bowen et al., 2000).

Bowen states that compared with informal recognition, the formal recognition programs lean to:

- Look out over longer time horizons
- Incorporate benchmarks, e.g., years of services or achievements, profit objectives, etc.
- Be performed-based
- Focus on the value of the organization, e.g., employee commitment, market appreciation, investor loyalty, etc.
- Be connected with the organization’s compensation programs
- Involve both reward and risk
- Planned, rather than spontaneous

Nelson (2004) argues that formal recognition programs are an ‘anachronism’. He suggests a more informal and collaborative approach.

In the IT sector, investigations has shown successful practices, where providing a persistent and accurate feedback to IT staff, recognition and tangible rewards develops the teamwork spirit, and makes an achievement of balance between an individual’s professional and personal identity (Agarwal, 1998). Agarwal and Ferratt found in their investigation that further than financial compensations, Chief Information Officers
made clear that the importance for additional recognition practices, some of which can be “low cost and highly effective such as birthday cards and welcome baskets”.

1.8 Motivation within IT-organizations

Motivating IT-professionals has been, and still are troublesome for management and need further attention (Bennett, 2006).

Evidence support that job satisfaction is important among IT-professionals and one crucial ingredient to retain employees (Bennett et al., 2006; Ferratt, 1999). Job satisfaction can be improved by non-monetary (intrinsic) motivation. Non-monetary motivation appears to have a direct effect on IT-professionals job satisfaction and their commitment to the organization they are working for. On the other hand, non-monetary motivation does not appear to have a great importance to improve IT-professionals autonomy. It is suggested that management can use skill variation as a motivator and improve job satisfaction (Bennett et al., 2006).

Monetary and hygiene factors also appear to have an important influence upon IT-professional and their job satisfaction. It is suggested that these factors also can have a positive impact upon retention and creativity. IT-professionals have a high need for growth and development and it is therefore important to future investigate motivation among IT-professionals. It has not fully been investigated what monetary or non-monetary factors IT-professionals prefer. It is important to investigate how IT-professionals want to be motivated but also to compare if there are differences between IT-professionals concerning their tasks and positions (Bennett et al., 2006).

Due to cultural differences between societies, groups and countries it is difficult to generalize individual factors concerning motivation (Herselman et al., 2001). It is therefore important to further investigate motivation factors for IT-professionals in Scandinavia.
1.9 Research Objectives:

After studying in the literature review and earlier researches mentioned above, the authors wanted to investigate the following hypotheses among employees in IT organizations in Sweden and Finland:

H1: The most important motivational factor of IT professionals is a challenging and interesting work, according to their own definition thereof.

H2: Individualized rewards and recognitions motivate an employee more than general rewards and recognitions.

H3: Employees in the IT sector value non-monetary incentives more than monetary incentives.

1.10 Limitations of the Research

Communication:
In performing our investigation we contacted a limited number of companies within the IT-sector in Finland and Sweden. We relayed on the support of the management of these companies to distribute and collect the questionnaires we sent to them. This is a limitation though we do not have complete control of the data collection or any bias that might have occurred during the data collection. There might have been a higher amount of non-responding participants due to failure to follow or instructions.

Another limitation in this study was the distance between the authors who lives in Sweden and Finland. The communication has not been a problem to maintain due to communication by Microsoft messenger, Skype, email, university communication software and effective teamwork.

Time:
The timeframe has been limited during the study period and have therefore been a limitation to our study. With more time and preparations we could have performed a wider study.
**Budget:**
Performing an empirical study usually needs funds for producing questionnaires, pay for postal services etc. This study has also been limited by these costs to some extent. A wider investigation would require more funding.

**Inclusion criteria:**
To only include employees who have been employed for more than two years could have affected our result. This was done to assure that the employees have good knowledge about the company they work with. Also, the probability to have received some sort of reward or recognition is much higher. By not including employees with lower years of employment we might have lost the possibility to see a different view among these employees.

**Factors of motivation:**
Other limitation with this empirical study is that the area of motivation is a complicated and diverse arena. Our small study can not possible cover all aspects of the area of motivation.
2  Research Methodology

In this chapter we will describe the research methodology for the data collection, define the qualitative and quantitative approaches, and describe validity and reliability.

2.1  Method of Research Used

This thesis is an empirical research where both a quantitative and a qualitative research design have been used. The benefit of a quantitative research design lets the researcher to quantify the respondent’s answers towards certain variables, hypothesis or demographic data to draw statistical conclusions and comparisons. This is one of the foremost advantages of the quantitative design and a common design in scientific reports and studies in all areas.

The quantitative design strives to be objective, to be logic, to conclude results of facts and reason. It is often used for hypothetical testing studies and for this reason the quantitative design has often been related as the true scientific method of research (Ghauri, 2005). A quantitative methodology for our thesis is a logic step because we intend to compare different motivational factors in relation to each other, towards demographic data and our stated hypothesis. This could reveal patterns which would verify or dement our stated hypothesis and therefore lead to new scientifically conclusions.

The disadvantage of the quantitative method is the lack of the ability to understand the respondent’s point of view. The qualitative research design, on the other hand has a stronghold when investigating respondents feelings, opinions and other subjective variables. Instead of a wide range of sampling, the study often intends to reach depth and to explore a phenomena or problem in its natural environment to achieve understanding (Ghauri et al., 2005). A qualitative research method in our thesis could increase the likelihood that we can retrieve the respondent’s true opinions on motivational and rewarding factors. We feel that this is essential and necessary to reach an understanding to be able to improve motivation of employees.
2.2 Data collection

The data in this thesis was collected through questionnaires (Appendix B). These questionnaires were constructed according to this thesis hypothesis and purpose. The questionnaire was constructed of four parts; demographic data, rewarding factors, recognition factors, and motivational factors.

The questions were constructed as multiple choice questions and open questions. The multiple choice questions represent the quantitative research method and the open questions represent the qualitative research method.

2.3 Validity and Reliability

According to Easterby-Smith (2002), expressions like validity and reliability were originally used in quantitative science. These two concepts are used to discuss the trustworthiness of the research that has been done. It is essential to underline these elements when an investigation has been performed since it shows an understanding of possible lacks and faults of a study. These concepts can also be applied in qualitative research, where the researcher is committed to provide a faithful description of others’ understandings and opinions (Easterby-Smith et al., 2002).

Validity refers to how exactly a scientific investigation is carried out and how accurate the instruments and methods are, according to the purpose of the study. To study what you really intended to study and nothing else. The instrument is a key factor in scientific investigations that will inflict upon the purpose of the study if it is not constructed in an adequate way. To prevent this, many instruments such as questionnaires are tested to verify that they measure what they are supposed to do. This can also be done for qualitative studies and by using the following question: “Has the researcher achieved full access to the knowledge and meanings of the informants?” (Easterby-Smith et al., 2002).

Reliability is a common word used in scientific literature. Its meaning and purpose is to describe how trustworthy the collected data is and the methods by which they have been collected. A high level of reliability can not exist if the validity is low. Accurate measuring is necessary to achieve high reliability. To determine the reliability the
following question can be of use: “Will similar observations be made by different researchers on different occasions?” (Easterby-Smith et al., 2002).

2.4 Respondents and Sampling Procedures

The organizations that were investigated are within the Information Technology (IT) sector. The amount of employees expected to be investigated were 150 employees in total from Sweden and Finland. For Sweden, the companies that allowed us to perform our investigation were Sony Ericsson AB in Hässleholm and Conagri AB in Malmö. For Finland, the company Sesca Technologies OY located in Kokkola was the company that let us carried out our investigation.

Sony Ericsson made a merge in 2002 between Sony Corporation, the Japanese consumer electronics and with Ericsson, the Swedish telecommunications company. Sony Ericsson AB is a leading international company with approximately 8,000 employees’ worldwide. Sony Ericsson is today the second most profitable phone maker and has accomplished this because of its growth in high end mobile phone market (Wikipedia, 2007c). Today Hässleholm’s division count with 84 employees and is located in the center of the city.

Sesca Technologies OY was found in 1998 and is located in Kokkola, Finland. Their business line is specializing in Software Design. Sesca offers IT and a telecommunications service to different enterprises, between those services includes: comprehensive project management, configuration, design, execution and testing of systems, applications, and solutions. Today, Kokkola’s division count with 150 employees (Sesca, 2007).

In 2007 Conagri AB celebrated their 20 years of foundation. Conagri develops and deal with IT systems for information management. That includes everything from developing unique systems through consulting and building infrastructure to operation and support. Conagri counts with approximately 145 employees in all Sweden, but
Malmö’s Headquarters count with 50 employees. Today Conagri AB is owned by Swedish Farmers Supply and Crop Marketing Association (51%) and Scan AB (49%), (Conagri 2007).

Our inclusion criteria for the employees that were included in our investigation was that the respondents must be more than 18 years old; able to write and read in English, and employed with the target company for more than two years, in order to have good knowledge of the organization. It was also important that the respondents were willing to participate in our study. Statistical presentation was performed for the multiple-choice questions using the program Microsoft Excel and Qualitative analysis for the open questions.
3 Presentation of Data

In this chapter the authors will present the sampling and selection of the participating companies for this empirical research, and present the different data collected. For the quantitative questions, graphical presentation was used and for the qualitative questions, tables with the exactly stated words by the respondents were used.

3.1 Sampling and Selection

Using The Swedish IT Industry Guide 2007 (Computer Sweden et al., 2007) and the Finnish Software Business Cluster (Swbusiness.fi et al., 2007) the source of selecting the companies to be included in our investigation where selected. Companies who fitted to our criteria to have 50-150 employees where listed from each country (Table 2). The goal was to reach approximately 150 employees in total from Sweden and Finland. If a negative or no response was obtained, the selection of another company continued.

<table>
<thead>
<tr>
<th>No. of Companies</th>
<th>Company Name and City</th>
<th>Location</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Visma SCPCS, Växjö</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>2</td>
<td>Avansys AB, Helsingborg</td>
<td>Sweden</td>
<td>Not approved.</td>
</tr>
<tr>
<td>3</td>
<td>Avansys AB, Malmö</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>4</td>
<td>Yarrow AB, Stockholm</td>
<td>Sweden</td>
<td>No reasons.</td>
</tr>
<tr>
<td>5</td>
<td>Stokab AB, Stockholm</td>
<td>Sweden</td>
<td>No reasons.</td>
</tr>
<tr>
<td>6</td>
<td>Sigma IT, Gothenburg</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>7</td>
<td>Polopoly AB, Stockholm</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>8</td>
<td>Cypoint IT Services, Malmö</td>
<td>Sweden</td>
<td>Busy agenda.</td>
</tr>
<tr>
<td>9</td>
<td>Helpdesk AB, Stockholm</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>10</td>
<td>Modul 1, Stockholm</td>
<td>Sweden</td>
<td>No respond.</td>
</tr>
<tr>
<td>11</td>
<td>Sony Ericsson AB, Hässleholm</td>
<td>Sweden</td>
<td>Accepted.</td>
</tr>
<tr>
<td>12</td>
<td>Conagri AB, Malmö</td>
<td>Sweden</td>
<td>Accepted.</td>
</tr>
<tr>
<td>13</td>
<td>Sesca Technologies OY, Kokkola</td>
<td>Finland</td>
<td>Accepted.</td>
</tr>
<tr>
<td>14</td>
<td>Movial Communication, Helsinki</td>
<td>Finland</td>
<td>Not approved.</td>
</tr>
<tr>
<td>15</td>
<td>Solita OY,</td>
<td>Finland</td>
<td>Not approved.</td>
</tr>
<tr>
<td>16</td>
<td>FutureMark Corporation</td>
<td>Finland</td>
<td>No respond.</td>
</tr>
<tr>
<td>17</td>
<td>Nvidia</td>
<td>Finland</td>
<td>No respond.</td>
</tr>
<tr>
<td>18</td>
<td>Affecto</td>
<td>Finland</td>
<td>No respond.</td>
</tr>
<tr>
<td>19</td>
<td>SunMicro Systems</td>
<td>Finland</td>
<td>No answers.</td>
</tr>
<tr>
<td>20</td>
<td>Microsoft OY, Helsinki</td>
<td>Finland</td>
<td>No answers.</td>
</tr>
<tr>
<td>21</td>
<td>Reactor Innovation</td>
<td>Finland</td>
<td>No respond.</td>
</tr>
<tr>
<td>22</td>
<td>Hybrid graphics</td>
<td>Finland</td>
<td>No answers.</td>
</tr>
<tr>
<td>23</td>
<td>Fujitsu Services OY</td>
<td>Finland</td>
<td>Not approved.</td>
</tr>
<tr>
<td>24</td>
<td>Procom Solution OY</td>
<td>Finland</td>
<td>Not approved.</td>
</tr>
<tr>
<td>25</td>
<td>BEA Systems OY</td>
<td>Finland</td>
<td>No answers.</td>
</tr>
</tbody>
</table>

Table 2: Companies Contacted with fitted Criteria
3.2 Data Collection

Three companies were included in the investigation; Sony Ericsson AB (Hässleholm, Sweden), Conagri AB (Malmö, Sweden) and Sesca Technologies OY (Kokkola, Finland). Each company received questionnaires according to the amount of employees each company had at the time of contact. The following table (Table 3) shows the amount of questionnaires delivered and received from the participating companies in Sweden and in Finland:

<table>
<thead>
<tr>
<th>Company and Location</th>
<th>Amount of Employees</th>
<th>Questionnaires Sent</th>
<th>Questionnaires Received</th>
<th>Response Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Ericsson AB, Hässleholm (Sweden)</td>
<td>84</td>
<td>84</td>
<td>29</td>
<td>35%</td>
</tr>
<tr>
<td>Sesca Technologies OY, Kokkola (Finland)</td>
<td>150</td>
<td>150</td>
<td>36</td>
<td>24%</td>
</tr>
<tr>
<td>Conagri AB, Malmö (Sweden)</td>
<td>50</td>
<td>50</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>284</strong></td>
<td><strong>284</strong></td>
<td><strong>75</strong></td>
<td><strong>24%</strong></td>
</tr>
</tbody>
</table>

As for the authors wanted to collect 150 questionnaires, the Total Response Rate will be then: 50%

Table 3: Distribution of Questionnaires
3.2.1 Demographical Data

Hereby follows the result of the demographical information which was obtained from the participating companies (Table 4):

<table>
<thead>
<tr>
<th></th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>22</td>
<td>34</td>
<td>7</td>
</tr>
<tr>
<td>Woman</td>
<td>7</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Total Respondents by Company:</td>
<td>29</td>
<td>36</td>
<td>10</td>
</tr>
<tr>
<td>Total Respondents:</td>
<td></td>
<td></td>
<td>75</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>26-35</td>
<td>9</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>36-45</td>
<td>9</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>46-55</td>
<td>11</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>56-</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Highest degree of school</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>11</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>University Graduate</td>
<td>13</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>Master or doctoral graduate</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>&quot;Other&quot; specified</td>
<td></td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Upper secondary school</td>
<td>1</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Years of employment in the company</td>
<td>2 years</td>
<td>12</td>
<td>25 1</td>
</tr>
<tr>
<td></td>
<td>3 years to 5 years</td>
<td>1 7 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>above 5 years</td>
<td>15 4 6</td>
<td></td>
</tr>
<tr>
<td>Current position in the company</td>
<td>Manager</td>
<td>5 3 4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Developer</td>
<td>11 29 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hardware and system specialist</td>
<td>3 1 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administrative staff</td>
<td>1 0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>9 3 2</td>
<td></td>
</tr>
<tr>
<td>&quot;Other&quot; specified</td>
<td>Function Tester</td>
<td>4 3 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Configuration manager</td>
<td>1 0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project Manager</td>
<td>0 0 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IT Security Manager</td>
<td>0 0 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Tester</td>
<td>2 0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Verification Engineer</td>
<td>1 0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Application Platform Tester</td>
<td>1 0 0</td>
<td></td>
</tr>
<tr>
<td>Geographical location</td>
<td>Sweden</td>
<td>29</td>
<td>0 10</td>
</tr>
<tr>
<td></td>
<td>Finland</td>
<td>0</td>
<td>36 0</td>
</tr>
</tbody>
</table>

Table 4: Demographical Data
The demographic information reveals a high quantity of men. The males constitutes 84% (n=63) of the respondents and the women 16% (n=12).

In the aspect of age, the majority of the respondents, 49% (n=37) are within the age range of 26-35 years. Within the age range of 36-45 years constitutes of 20% (n=15) and within 46-55 years, 21% (n=16). The minority of the respondents belong to the younger population of 18-25 years, 7% (n=5) and the senior population of 56 years and over, 3% (n=2).

The majority of the women, 42% (n=5) where in the age range of 36-45 years, where as for the majority of the men, 54% (n=34) were in the age range of 26-35 years. 17% (n=11) of the men where found in the age range of 36-45 and 19% (n=12) where in the age range of 46-55 years. 33% (n=4) of the women where in the age range of 46-55 years, but no women where over 55 years old. A minority of the men 6% (n=4) and women 8% (n=1) where in the age range of 18-25 years old. The oldest population of 56 years and over where of men only, 3% (n=2).

Most of the participants, 49% (n=37) have a university education. Secondly, 32% (n=24) of the respondents have high school as highest level of education. 11% (n=8) have master or doctoral degree. Respondents with other level of education where 8% (n=6) and the majority of these possesses upper secondary school education.

The participating women where equally divided to 33% (n=4) for high school, 33% (n=4) university education and 33% (n=4) master/docotral degree. No women stated “other education”. The majority of the men 51% (n=32) had university degree, 32% (n=20) had high school education and only 8% (n=5) had master/docotral degree. 10% of the men stated “Other education” where upper secondary school was mostly recorded.

The time of employment with the company shows that 51% (n=38) had an employment of 2 years. 33% (n=25) had an employment of more than 5 years and 13% (n=10) of 3-5 years. 3% (n=2) did not respond to the question.
3% (n=2) of the women did not state their duration of employment. Most women 42% (n=5) where employed for more than 5 years where as for the men only, 32% (n=20) where employed for more than 5 years. 33% (n=4) of the women had an employment duration of 2 years where as for the men, 54% (n=34) had an employment of 2 years. 8% (n=1) of the women and 14% (n=9) of the men had an employment duration of 3-5 years.

The positions held by the participants constitutes of 57% (n=43) Software Developers, 16% (n=12) Managers, 7% (n=5) Hardware and System Specialists, 1% Administrative Staff and 19% (n=14) of other positions than mentioned above. Among these, the position of Function Tester where most common.

62% (n=39) of the men and 33% (n=4) of the women where assigned as software developer. 25% (n=3) of the women where managers where as for the men only 14% (n=9) where managers. 17% (n=2) of the women where hardware and system specialists and for men only 5% (n=3). 17% of the women (n=2) and 19% (n=12) of the men filed “other position”. In this area the position as function tester was most common.

The geographical information shows that 52 % (n=39) are from Sweden and 48% (n=36) is from Finland.
3.2.2 Hypothesis 1

“The most important motivational factor of IT-Professionals is a challenging and interesting work, according to their own definition thereof”.

The Questions 11, 12, 14, 16, and 18 were related to Hypothesis 1.

**Question 11:** “Arrange the following motivational factors in order of your preference from 1-10, where 1 represents the best type of motivational factor and 10 represent the least best type of motivational factor”. (Graphic 1)

<table>
<thead>
<tr>
<th>Variables</th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
<th>V5</th>
<th>V6</th>
<th>V7</th>
<th>V8</th>
<th>V9</th>
<th>V10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Ericsson</td>
<td>172</td>
<td>163</td>
<td>78</td>
<td>120</td>
<td>107</td>
<td>211</td>
<td>163</td>
<td>110</td>
<td>187</td>
<td>265</td>
</tr>
<tr>
<td>Sesca</td>
<td>208</td>
<td>199</td>
<td>97</td>
<td>189</td>
<td>128</td>
<td>265</td>
<td>183</td>
<td>155</td>
<td>224</td>
<td>295</td>
</tr>
<tr>
<td>Conagri</td>
<td>64</td>
<td>54</td>
<td>21</td>
<td>37</td>
<td>32</td>
<td>73</td>
<td>69</td>
<td>48</td>
<td>68</td>
<td>84</td>
</tr>
<tr>
<td>Total Points</td>
<td>444</td>
<td>416</td>
<td>196</td>
<td>346</td>
<td>267</td>
<td>549</td>
<td>415</td>
<td>313</td>
<td>479</td>
<td>644</td>
</tr>
</tbody>
</table>

**Graphic 1:** Lowest total of points is the most preferable variable which was “Challenging and Interesting Work”. This was followed by “Pay and Benefits” and “Relationships with Co-workers”.

*Yecenia Rivera Ortiz & Nghi Tran 2007©*
**Question 12:** “What factors motivates you to do a good work?” 
(Table 5)

<table>
<thead>
<tr>
<th>Valid</th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F*</td>
<td>%</td>
<td>F*</td>
<td>%</td>
</tr>
<tr>
<td>Interesting Work/Task</td>
<td>9</td>
<td>31</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>Appreciation</td>
<td>4</td>
<td>14</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Being a part-off</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>To demonstrate competence</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pay and Benefits/Salary/Money</td>
<td>3</td>
<td>10</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>New exciting things/Challenging task/Challenge work</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Feedback</td>
<td>2</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good co-workers/Relationship with co-workers</td>
<td>3</td>
<td>10</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>No answer</td>
<td>4</td>
<td>14</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>Independent tasks, responsibility/Responsibility</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Encouraging working environment</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Salary Raise</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Promotion and growth</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Meaningful goals</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Good work</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Satisfied customer</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>29</strong></td>
<td><strong>100</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**F* (Frequency)**

**Table 5:** According to the respondents the most frequently repeated answers were “Interesting work” 25% (n=19), “No answer” 21% (n=16) and “Good co-workers/Relationship with co-workers” with 13% (n=10).
Question 14: “Are you motivated to do a good work?” (Graphic 3)

Graphic 3: 54% (n=41) of the participants showed that “To some extent” they are motivated to do a good work, as per 48% (n=36) showed that are always motivated.

Question 16: “What factors do you consider as motivating?” (Table 7)

<table>
<thead>
<tr>
<th></th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>F*</td>
<td>%</td>
<td>F*</td>
<td>%</td>
</tr>
<tr>
<td>Interesting and Challenging tasks/work</td>
<td>3</td>
<td>30</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Salary/Wage/Pay or benefits/Money</td>
<td>7</td>
<td>24</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Feedback/Positive feedback</td>
<td>2</td>
<td>7</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Clear goal</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Personal goal</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Verbally, cheering talk</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Appreciation</td>
<td>6</td>
<td>21</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>To demonstrate competence/Opportunities to prove oneself</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Good environment/Good working environment</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Co-workers</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Gift</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No answer</td>
<td>4</td>
<td>14</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Bonus</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Promotion</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Satisfaction and excitement</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Achievement promising results in a project</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Encouragement</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Good management</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Responsibility and trust from employer</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>
Table 7: According to the participants, the most frequently repeated answers were “Interesting and Challenging tasks/work” 23% (n=17), “Salary”/”No answer” 16% (n=12) and “Appreciation” 11% (n=8).

Question 17: “How important is motivation for you as an employee?” (Table 8)

Table 8: According to the participants, the most frequently repeated answer was “Very important” 55% (n=41), the second was “quite important”/”No answer” 8% (n=6), and “Important” 7% (n=5).
Question 18: “Range the following, the most important things for you staying with your current job from 1 to 6, where 1 is the most important thing and 6 the least important thing.” (Graphic 4)

Variables:
V1: Stability in my working life
V2: Compensation and monetary rewards
V3: Further training opportunities and higher education level
V4: Promotion for higher position
V5: Interest in the work I am performing
V6: I see potential growth in the organization I work in

Graphic 4: Lowest total of points is the most preferable variable which was “Interest in the work I am performing”. This was followed by “Stability in my working life” and “Compensation and monetary rewards”.
3.2.3 Hypothesis 2

“Individualized rewards and recognitions motivate an employee more than general rewards and recognitions”.

The Questions 1, 2, 3, 4, 5, 7, 8, 9, 10, 13 and 15 were related to Hypothesis 2.

**Question 1:** “Arrange the following rewards in order of your preference from 1-10, where 1 represent the best reward and 10 the least best reward”. (Graphic 5)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Ericsson</td>
<td>167</td>
<td>156</td>
<td>245</td>
<td>75</td>
<td>119</td>
<td>143</td>
<td>103</td>
<td>175</td>
<td>163</td>
</tr>
<tr>
<td>Sesca</td>
<td>209</td>
<td>277</td>
<td>270</td>
<td>78</td>
<td>154</td>
<td>166</td>
<td>136</td>
<td>180</td>
<td>209</td>
</tr>
<tr>
<td>Conagri</td>
<td>62</td>
<td>62</td>
<td>73</td>
<td>23</td>
<td>32</td>
<td>43</td>
<td>44</td>
<td>74</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>438</strong></td>
<td><strong>495</strong></td>
<td><strong>588</strong></td>
<td><strong>176</strong></td>
<td><strong>305</strong></td>
<td><strong>352</strong></td>
<td><strong>283</strong></td>
<td><strong>432</strong></td>
<td><strong>426</strong></td>
</tr>
</tbody>
</table>

**Graphic 5:** Lowest total of points is the most preferable variable which was “Job Satisfaction”. This was followed by “Paid Vacations” and “Intellectual Challenge and Creativity”.

*Yecenia Rivera Ortiz & Nghi Tran 2007©*
**Question 2:** “What is the Best Reward you have received?” (Table 9)

<table>
<thead>
<tr>
<th></th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Abroad</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Verbal Recognition</td>
<td>3</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Stocks Options/Share Options</td>
<td>6</td>
<td>21</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Bonus</td>
<td>5</td>
<td>17</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Salary Raise/High Salary</td>
<td>6</td>
<td>21</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Bottle of Wine</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Flower in their Birthday</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No Answers</td>
<td>6</td>
<td>21</td>
<td>10</td>
<td>28</td>
</tr>
<tr>
<td>Good Support from Supervisors and Trainings</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Paid Vacation</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Merit Pay</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Money</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Use Free Car</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Responsibility</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>29</strong></td>
<td><strong>100</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

F* (Frequency)

Table 9: Shows that the best rewards the respondents have received are “Bonus” 29% (n=22), “No answers” 24% (n=18) and “Salary Raise/High Salary” 13% (n=10).

**Question 3:** “How do you receive your rewards from your employer?” (Graphic 6)

**Question 3**

Variables:
V1: As a group/team
V2: To me personally
V3: Both in person and as group/team
V4: Other
Graphic 6: 52% (n=39) of the respondents showed that “Both in person and as group/team” is the way they receive rewards from their employer. 38% (n=20) of the respondents showed that “As a group/team” is the way they receive rewards from their employer. The last least two variables were Variable 2 (To me personally) which was 15% (n=11) and Variable 4 (Other) which was 6% (n=5).

Question 4: “Do you feel that you have received enough rewards for the work you have done?” (Graphic 7)

<table>
<thead>
<tr>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Ericsson</td>
<td>5</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Sesca</td>
<td>2</td>
<td>21</td>
<td>10</td>
</tr>
<tr>
<td>Conagri</td>
<td>0</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
<td>39</td>
<td>21</td>
</tr>
</tbody>
</table>

Variables:
V1: No, Not enough
V2: To some extent
V3: Yes, always
V4: Do not know

Graphic 7: 52% (n=39) of the participants showed that “To some extent” have received enough rewards for the work they have done, as per 28% (n=21) showed that “Yes, always” have received enough rewards for they work done. The minority showed 9% (n=7) that they have not received enough rewards and 11% (n=8) “Do not know” whether have received enough rewards for the work done.
**Question 5:** “How would you like to be rewarded when you have done a Good Work?” (Table 10)

<table>
<thead>
<tr>
<th>Valid</th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F* %</td>
<td>F* %</td>
<td>F* %</td>
<td>F* %</td>
</tr>
<tr>
<td>Pay Raise/Salary Raise</td>
<td>6  21</td>
<td>7  19</td>
<td>0  0</td>
<td>13  17</td>
</tr>
<tr>
<td>Free Time/Time off</td>
<td>2  7</td>
<td>0  0</td>
<td>0  0</td>
<td>2  3</td>
</tr>
<tr>
<td>Monetary Benefits/Bonus</td>
<td>6  21</td>
<td>6  17</td>
<td>0  0</td>
<td>12  16</td>
</tr>
<tr>
<td>Stock/Share Options</td>
<td>1  3</td>
<td>0  0</td>
<td>1  10</td>
<td>2  3</td>
</tr>
<tr>
<td>Feedback/Positive feedback</td>
<td>6  21</td>
<td>7  19</td>
<td>4  40</td>
<td>17  23</td>
</tr>
<tr>
<td>Paid Dinner</td>
<td>2  7</td>
<td>0  0</td>
<td>0  0</td>
<td>2  3</td>
</tr>
<tr>
<td>Paid Vacation</td>
<td>1  3</td>
<td>0  0</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Personal Awards</td>
<td>1  3</td>
<td>0  0</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>No Answer</td>
<td>4  14</td>
<td>8  22</td>
<td>5  50</td>
<td>17  23</td>
</tr>
<tr>
<td>Encourage</td>
<td>0  0</td>
<td>1  3</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Extra Payoff</td>
<td>0  0</td>
<td>2  6</td>
<td>0  0</td>
<td>2  3</td>
</tr>
<tr>
<td>Vacation</td>
<td>0  0</td>
<td>3  8</td>
<td>0  0</td>
<td>3  4</td>
</tr>
<tr>
<td>Variation in the Tasks</td>
<td>0  0</td>
<td>1  3</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Career Development</td>
<td>0  0</td>
<td>1  3</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Totals</td>
<td>29 100</td>
<td>36 100</td>
<td>10 100</td>
<td>75 100</td>
</tr>
</tbody>
</table>

F* (Frequency)

**Table 10:** 23% (n=17) would like to be rewarded with positive feedback from their employer. Half of the participants did not answer this question 23% (n=17) gave “No answer”, and 17% (n=13) would like “Pay Raise/Salary Raise.

**Question 7:** “What is the Best Recognition you have received?” (Table 11)

<table>
<thead>
<tr>
<th>Valid</th>
<th>Sony Ericsson</th>
<th>Sesca</th>
<th>Conagri</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F* %</td>
<td>F* %</td>
<td>F* %</td>
<td>F* %</td>
</tr>
<tr>
<td>Movie Tickets</td>
<td>1  3</td>
<td>0  0</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Role As Manager</td>
<td>2  7</td>
<td>0  0</td>
<td>0  0</td>
<td>2  3</td>
</tr>
<tr>
<td>Verbal Positive Feedback</td>
<td>7  24</td>
<td>9  25</td>
<td>4  40</td>
<td>20  27</td>
</tr>
<tr>
<td>Lunch on the House</td>
<td>2  7</td>
<td>3  8</td>
<td>0  0</td>
<td>5  7</td>
</tr>
<tr>
<td>Promotion</td>
<td>1  3</td>
<td>0  0</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Bonus</td>
<td>1  3</td>
<td>3  8</td>
<td>0  0</td>
<td>4  5</td>
</tr>
<tr>
<td>Don't Know</td>
<td>1  3</td>
<td>0  0</td>
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<td>1  1</td>
</tr>
<tr>
<td>Nothing</td>
<td>2  7</td>
<td>3  8</td>
<td>0  0</td>
<td>5  7</td>
</tr>
<tr>
<td>Share Option</td>
<td>1  3</td>
<td>0  0</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>A Bottle of Wine</td>
<td>1  3</td>
<td>1  3</td>
<td>1  10</td>
<td>3  4</td>
</tr>
<tr>
<td>No Answer</td>
<td>10  34</td>
<td>7  19</td>
<td>4  40</td>
<td>21  28</td>
</tr>
<tr>
<td>Employee Award</td>
<td>0  0</td>
<td>1  3</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
<td>Salary Raise/Extra Salary</td>
<td>0  0</td>
<td>3  8</td>
<td>1  10</td>
<td>4  5</td>
</tr>
<tr>
<td>Gift from Employer</td>
<td>0  0</td>
<td>2  6</td>
<td>0  0</td>
<td>2  3</td>
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<tr>
<td>Time Off with Pay</td>
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<td>1  3</td>
<td>0  0</td>
<td>1  1</td>
</tr>
<tr>
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<td>Sony Ericsson</td>
<td>Sesca</td>
<td>Conagri</td>
<td>Totals</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
<td>-------</td>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>F*</td>
<td>%</td>
<td>F*</td>
<td>%</td>
<td>F*</td>
</tr>
<tr>
<td>Trust to me Personally</td>
<td>0 0 1 3</td>
<td>0 0 1 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thank You Note</td>
<td>0 0 2 6</td>
<td>0 0 2 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>29 100</td>
<td>36 100</td>
<td>10 100</td>
<td>75 100</td>
</tr>
</tbody>
</table>

Table 11: Shows that most of the respondents did not answer the question 28% (n=21), followed by these, were 27% (n=20) respondents that have received “Verbal Positive Feedback” as Recognition.

Question 8: “How do you receive your recognitions from your employer?” (Graphic 8)

Graphic 8: 58% (n=44) of the respondents showed that “Both in person and as group/team” is the way they receive recognitions from their employer. 19% (n=14) of the respondents showed that “As a group/team” is the way they receive recognitions from their employer. The last least two variables were Variable 2 (To me personally) which was 17% (n=13) and Variable 4 (Other) which was 3% (n=2).
**Question 9:** “Do you feel that you have received enough recognition for the work you have done?” (Graphic 9)

**Variables:**
- **V1:** No, Not enough
- **V2:** To some extent
- **V3:** Yes, always
- **V4:** Do not know

**Graphic 9:** 53% (n=40) of the respondents showed that “To some extent” they feel that have received enough recognition from their employer. 23% (n=17) of the respondents showed “Yes, always” feel that they have received enough recognition, as per the minority where 16% (n=12) have not receive enough recognition and 8% (n=6) do not know if they have received enough recognitions from their employer.
Question 13: “Does your employer try to motivate you to do a good work?”

(Graphic 2)

Graphic 2: 56% (n=42) of the respondents agreed that “To some extent” their employers tries to motivate them to do a good work. 37% (n=28) of the respondents showed that “Yes, always” and only 6% (n=5) showed that their employers “Not, at all” tries to motivate them to do a good work.

Question 15: “Would you do a better job if you were better motivated?”

(Table 6)
Table 6: According to the respondents, most of the respondents said “Yes” with 56% (n=42), 11% (n=8) said “No”/“No answer”, and the minority with 8% (n=6) said “Maybe” would do a better job if they were better motivated.

3.2.4 Hypothesis 3

“Employees in the IT sector value non-monetary incentives more than monetary incentives”.

The Questions 1, 5, 6, 10, 18, and 19 were related to Hypothesis 3.

**Question 1:** “Arrange the following rewards in order of your preference from 1-10, where 1 represent the best reward and 10 the least best reward”. (Graphic 5)

![Question 1 Graph](image)

**Variables:**
- V1: Share Options
- V2: Pension Plans
- V3: Beneficial Loans
- V4: Job Satisfaction
- V5: Intellectual Challenge and Creativity
- V6: Training for Professional Development
- V7: Paid Vacation
- V8: Christmas Bonus
- V9: Participation in Decision Making
- V10: Other

**Graphic 5:** Lowest total of points is the most preferable variable which was “Job Satisfaction”. This was followed by “Paid Vacations” and “Intellectual Challenge and Creativity”.

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Question 5: “How would you like to be rewarded when you have done a Good Work?” (Table 10)

<table>
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<td>13</td>
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<tr>
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<td>21</td>
<td>7</td>
<td>17</td>
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<tr>
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<td><strong>36</strong></td>
<td><strong>10</strong></td>
<td><strong>75</strong></td>
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</tbody>
</table>

**F* (Frequency)**

Table 10: 23% (n=17) would like to be rewarded with positive feedback from their employer. Half of the participants did not answer this question 23% (n=17) gave “No answer”, and 17% (n=13) would like “Pay Raise/ Salary Raise.”
Question 6: “Arrange the following recognitions in order of your preference from 1 to 10, where 1 represents the best type of recognition and 10 represent the least best type of recognition.” (Graphic 10)

Variables:
V1: Time off with pay
V2: Lunch “on the house”
V3: Thank You Note
V4: Full appreciation of work done
V5: Certificate for outstanding services or ideas
V6: Development Opportunities
V7: Employee Award
V8: Team-of-the-Month Award
V9: Years of Services Award
V10: Other

Graphic 10: Lowest total of points is the most preferable variable was “Full appreciation of work done”. This was followed by “Time off with pay” and “Development Opportunities”.

<table>
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<tr>
<th></th>
<th>V1</th>
<th>V2</th>
<th>V3</th>
<th>V4</th>
<th>V5</th>
<th>V6</th>
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</tbody>
</table>
Question 18: “Range the following, the most important things for you staying with your current job from 1 to 6, where 1 is the most important thing and 6 the least important thing.” (Graphic 4)

Variables:
V1: Stability in my working life
V2: Compensation and monetary rewards
V3: Further training opportunities and higher education level
V4: Promotion for higher position
V5: Interest in the work I am performing
V6: I see potential growth in the organization I work in

Graphic 4: Lowest total of points is the most preferable variable which was “Interest in the work I am performing”. This was followed by “Stability in my working life” and “Compensation and monetary rewards”.
Question 19: “If another organization today offers you the same job you have today, would you accept that employment? Please state why you should accept or not accept that employment.” (Table 12)

<table>
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<td></td>
<td>F*</td>
<td>%</td>
<td>F*</td>
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<td>6</td>
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<td><strong>100</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Table 12: According the respondents 48% (n=36) are “Neutral” to accept that employment, where 41% (n=31) would “Not Accept”, and 8% (n=6) did not answer this question.
4 Method Discussion

In this chapter, the authors discuss the method utilized in this empirical study. First, the authors discuss the Selection of Participants, secondly the Logistics and Communication with IT-organizations, thirdly they discuss the Questionnaire and finally the Analysis of Data.

There are numerous variables that could have caused the low rate of response, which we did not foresee when performing the study. Both researchers have limited experience of empirical investigations and this might have been a contributing factor when planning and performing the investigation. During the journey it was discovered various benefits and disadvantages which some, but far from all, where foreseen.

4.1 Selection of Participants
The selection of the companies to participate in the study has not been a difficult task. By utilizing the Swedish IT-industry Guide 2007 (Computer Sweden, 2007) and the Finnish Software Business Cluster (Swbusiness.fi, 2007), it was a fairly easy task to accomplish. The difficulty was to establish a communication with these companies and their managers. All companies where contacted by phone or email and received a brief presentation (Appendix A) and a polite request to perform the study. The request to carry out the investigation has not been meet with ease, neither in Sweden nor in Finland (Table 2). Some companies did not return our calls, messages or emails when we tried to contact them which have been a frustrating and time consuming problem. One can speculate in the reasons to why the acceptances of performing empirical investigations are low and why we did not receive any response from some companies. We did in fact receive the reason to why some of the companies did not wish to participate in the study (Table 2).

4.2 Logistics & Communication
In communication with the companies it was said that their IT-professionals are often on the move and it is not unusual that their work concerns stress, tight timetables and travelling. This might also have had an impact on the response rate and no control over who have received or not received the questionnaire. It has been out of the authors control to distribute the questionnaires among the employees within the participating companies. This responsibility has been taken by the managers of the companies. This
loss of control means that the distribution of the questionnaires leaves no guarantee that all the employees of each participating company have received a questionnaire. The authors live and study in different countries and the communication has therefore been an important issue. This has been performed by utilizing internet communications tools and telephone. Apart from minor difficulties and interference there have been no problems of communications between the authors.

4.3 Questionnaire

Making the questionnaire in English only could have been a factor of great importance concerning the response rate in this study. The knowledge and ability of reading and understanding English could be varied from person to person, even in the IT-area. It could be suspected that if the questionnaires had contained the native languages of Swedish and Finish the response rate would be higher.

The authors are positive that our questionnaire has collected the information it intended to do, assuming that the respondents understand English. It is the authors’ opinion that the questions are logical to the purpose of this study and easy to understand. To understand a question is essential to reach a correct answer. If the question is difficult to understand, then this will affect the result significantly in a negative manner (Burgess, 2001).

The questionnaire also includes a quantitative and a qualitative design which even further elevates the accuracy to measure the selected variables (Ghauri et al., 2005). This way the respondents have the ability to express themselves and share issues and opinions that a multiple choice question can not. It is the authors’ opinion that the questionnaire has a high level of accuracy to measure the intended variables. This is a basic ingredient to reach high validity in scientific investigations (Ghauri et al., 2005).

4.4 Analysis of data

The material is not large enough to make and rely on calculation of statistical significance and we have therefore excluded this part. Analysis of the demographic and quantitative and qualitative data were done with Microsoft Excel where the answers where added to the worksheets.
5 Discussion of Results

The findings in this study show that the respondents prefer a challenging and interesting work. The same result has been found in earlier studies performed in the United States who showed that the majority of the IT professionals feel that an interesting and challenging work is an important motivational factor for performing a good work (Ferratt, et al., 1999; LeDuc 1980; Gill et al., 2001; Agarwal et al., 1998). Our conclusion is therefore that this hypothesis is true. A challenging and interesting work is an important factor for IT-professionals to be motivated and to perform a good work. By confirming this hypothesis it raises the question about what makes a challenging and interesting work. This could of course depend upon several factors such as age, gender, geographical location, position, level of education etc. It is our opinion that this is a crucial task for the employers to investigate for maintaining the level of motivation among their employees. It is also a topic for further research and investigations.

It was also found that 62% of the respondents in this investigation are not fully satisfied with how their employer tries to motivate them. This means that the employers still have the opportunity to boost performance and quality of work and better to motivate their employees. What further more support this, is that most of the respondents in this study would do a better work if they where better motivated. To maintain motivation it is according to Paré (et al., 2001), important that managers take care of their employees in a manner that they feel appreciated for their knowledge and that they take an interest in their individual careers and try to help them develop within the organization. It is also important that the managers try to maintain their employees to feel worth fully.

Further research should be dedicated to investigate if the management in the IT-sector really does take interest in the IT-professionals individual careers and career development. Another crucial issue is that the management has to try and maintain a good communication for constant flow of information and to make the employees feel that they really are part of the organization (Ferratt, et al., 1999).

It is therefore logical that job satisfaction also becomes an important factor to be motivated as an employee, which this investigation also indicates. These facts are supported by others (Ferratt, et al., 2001; Bennett 2006). It has also been found that job
satisfaction has been related to employee’s supervision and pay satisfaction, which is evidence that monetary incentives are a motivating factor (Bennett et al., 2006). Pay and benefits which are hygiene factors also appears to be of importance to improve job retention. Even if the employees are intrinsically motivated, the organization can lose employees if they don’t pay attention to hygiene factors such as work environment, training, career development, pay and benefits (Bennett et al., 2006, Gill et al., 2001). This complicates the issue of motivation further where motivation is a complex and multi factor phenomena. Frederick Herzberg’s theory states that satisfaction and dissatisfaction are driven by individual and hygiene factors, respectively (Latham et al., 2006). According to Maslow’s theory of Needs, self-actualization is the highest need in the hierarchy. Employers should try and help their employees to reach self-actualization level. This could lead to a maximization of their knowledge, skills and their performance to achieve a good work.

Even though pay and benefits appears to be important, we have found contradicting evidence for this hypothesis. Pay and benefits where found to be the second best factor of motivation after a challenging and interesting work. On the other hand the participants did not mention that pay and benefits would motivate them to do a better work. This contradiction would be interesting to investigate further. The importance of monetary incentives for IT-professionals might also depend upon on the current salary and benefits from their employers which would be interesting to study. Our conclusion is therefore that the hypothesis indeed confirms that IT-professionals value more non-monetary incentives than monetary incentives. Never the less, monetary incentives still remains an important motivating factor to IT-professionals.

It has also been shown in this study that IT-professionals are not always recognized for a good work done. The result reveals that the majority of the respondents would appreciate feedback and verbal recognition from their employers. This supports our hypothesis where individualized rewards and recognitions motivate an employee more than general ones. Receiving a personal feedback for a well done work from the manager or a colleague, maintains the employee in a positive thinking way about their job and make them give an extra mile to achieve the organization’s goals. Recent studies support also this hypothesis where IT employees whose work performance is
recognized by their superiors or colleagues will be likely to do more than what is formally required from their responsibilities (Paré et al., 2001).

There are support and evidence that by providing recognitions and rewards to IT-professionals it assures the employees professional and individual identity. This is considered as an effective way to retain the employees (Agarwal et al., 1998). It has also been found that salaries and benefits also are important for maintaining the employees from leaving their current jobs (Bennett et al., 2006, Gill et al., 2001). In our investigation we found that a great deal of the participants where neutral to the question if they where to accept another employment if they got better benefits and salary. This further strengthen the evidence of that monetary incentives are not the most important motivating factor. This could indicate that even if they employees are not fully recognized or do not receive enough rewards from their employers, there is a sense of commitment to their organization. It could also mean that the employees still appreciate their work and are satisfied. Never the less, it also indicates that there is still much to be done to try and improve job retention and satisfaction. It is shown in earlier investigations that if the management gives more attention to training and career development to their employees, it will be a step for gaining superior employee commitment, which in return, it can enhance, organizational knowledge management (Trauth, 1999).
6 Conclusions and Recommendations

Our conclusions is that motivating, recognizing and rewarding IT-professionals is a severely complicated issue, but of great importance. There are various factors that influence each other and they depend upon a numerous variables such as environment, gender, age, culture, society, social factors, individual goals, psychological and physiological needs among others. This phenomenon can not be discouraged and is crucial to both employers and employees in various ways. To employers, the benefits of motivation could improve and maintain high efficiency, quality of work and job retention. For the employees it can lead to career development, professional and personal growth.

We have answered our three hypotheses and confirmed that they are true. Never the less, as this study shows, there are still work to do in this area. IT-professionals do not appear to be fully motivated and recognized. They would do a better work if they where better motivated, according to them self. It is our recommendation to management in the IT-industries to dedicate more time and interest to their employee’s individual needs and to improve motivation, recognition and rewards systems.

It is crucial that the employers identify the factors which constitute a challenging and interesting work. By doing so, the maximal potential in each employee can be reached and in a whole improve the entire organization to the better. It is also important that scientifical investigations are initiated to study this area further. This research should include both quantitative and qualitative methods where the last could be dedicated to reach to the depth on the view upon motivation, rewarding and recognizing. This has to be done by including both employees and management. There might be gaps in the understanding between employees and employers which influences the ways of that motivation, recognition and rewarding is carried out.

In our study there where small possibilities to further investigate the female role among the IT-professionals concerning motivation, recognition and rewarding. It would be interesting to study if the female view carried a different focus upon motivational
factors and the hypotheses of this study. The women in the IT-industry are a minority but deserve more attention and investigations.
7 References

7.1 Books


7.2 Articles


7.3 Research Papers

Enoch Tyilana, X. (2005) Magister Commerci in Business Management: The Impact of Motivation on Job Satisfaction amongst Employees of a National Broadcaster, University of Johannesburg

7.4 Websites


8 Appendices

8.1. Appendix A: Presentation Letter

Rewarding and Recognizing Employees: How IT Professionals in Sweden and in Finland are Motivated and Prefer to be Rewarded

Hässleholm/Helsinki, May ___, 2007

Estimated Mr./Mrs....................:

My name is Yecenia Rivera/Nghi Tran, and I am a student of the Master of Business Administration Program at the Blekinge Institute of Technology in Ronneby. At the moment, my school partner Yecenia Rivera/Nghi Tran and me are looking at IT companies in Sweden and in Finland to collect data for our thesis.

Our thesis topic is “Rewarding and Recognizing Employees: How IT Professionals in Sweden and in Finland are Motivated and Prefer to be Rewarded”. I am therefore interested in your company’s employees because I know your company is doing business within the IT sector.

I would be very happy if your company accepts me to collect the data needed for our investigation. The data will be collected through questionnaires that are easy to fill. If you accept the questionnaires will then be distributed to your employees. Enclosed is the questionnaire, for your consideration. There will not be any expenses on your account.

Please feel free to contact me, if you need more information or have any questions. I am looking forward for your reply. Thank you for your time!

Best regards,

Yecenia Rivera/Nghi Tran
MBA Student
Blekinge Institute of Technology
Sweden
Dear respondents, we are students at the School of Management at the Blekinge Institute of Technology in Ronneby, Sweden. The purpose of this questionnaire is to study how IT Professionals in Sweden and in Finland are motivated and prefer to be rewarded and recognized. This research is being conducted in fulfillment of the requirement for our degree of Master of Business Administration at the Blekinge Institute of Technology. We would be very grateful if you could take a few minutes to fill this questionnaire. Your feedback is very important and your answers will be kept in strict confidence.

Thank you for your assistance.

Yecenia Rivera and Nghi Tran

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Rewards:

(Recognition is ways your employer has given you feedback for the work you have done in form of money, raise, medical benefits etc.)

1. Arrange the following rewards in order of your preference from 1 to 10, where 1 represent the best reward and 10 the least best reward:

   (     ) Share Options
   (     ) Pension Plans
   (     ) Beneficial Loans
   (     ) Job Satisfaction
   (     ) Intellectual Challenge and Creativity
   (     ) Trainings for professional development
   (     ) Paid Vacations
   (     ) Christmas Bonus
   (     ) Participation in Decision Making
   (     ) Other……………………………………..

2. What is the best reward you have received? __________________________

3. How do you receive your rewards from your employer? As a group/team □
   To me personally □
   Both in person and as a group/team □
   Other …………………..

4. Do you feel that you have received enough rewards for the work you have done?
   No, not enough □
   To some extent □
   Yes, always □
   Do Not Know □

5. How would you like to be rewarded when you have done a good work?
   ____________________________________________________________________
   ____________________________________________________________________
   ____________________________________________________________________

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Recognition:

(Recognition is ways your employer has given you feedback for the work you have done in written or spoken ways.)

6. Arrange the following recognitions in order of your preference from 1 to 10, where 1 represents the best type of recognition and 10 represent the least best type of recognition:

   - Time off with Pay
   - Lunch “on the house”
   - Thank You Note
   - Full appreciation of work done
   - Certificate for outstanding service or ideas
   - Development Opportunities
   - Employee Award
   - Team-of-the-Month Award
   - Years of Service Awards
   - Other

7. What is the best recognition you have received? __________________________

8. How do you receive your recognitions from your employer? 
   - As a group/team  
   - To me personally  
   - Both in person and as a group/team  
   - Other

9. Do you feel that you have received enough recognition for the work you have done?
   - No, not enough  
   - To some extent  
   - Yes, always  
   - Do not know

10. How would you like to be recognized when you have done a good work?
    ________________
Motivation:

11. Arrange the following motivational factors in order of your preference from 1 to 10, where 1 represent the best type of motivational factor and 10 represent the least best type of motivational factor:

( ) Job Security
( ) Promotion and growth in the organization
( ) Challenging and Interesting work
( ) Full appreciation of work done
( ) Pay and benefits
( ) Physical Environment
( ) Work itself
( ) Relationships with co-workers
( ) Achievement
( ) Company Policy and Administration

12. What factors motivates you to do a good work? ____________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

13. Does your employer try to motivate you to do a good work? Not at all □ To some extent □ Yes always, □

14. Are you motivated to do a good work? Not at all □ To some extent □ Yes, always □

15. Would you do a better job if you were better motivated? ______________________
____________________________________________________________________
____________________________________________________________________

16. What factors do you consider as motivating? ________________________________
____________________________________________________________________
____________________________________________________________________

17. How important is motivation for you as an employee? ______________________
____________________________________________________________________
____________________________________________________________________
Individual Motive:

18. Range the following the most important things for you staying with your current job from 1 to 6, where 1 is the most important thing and 6 the least important thing:

   (     ) Stability in my working life
   (     ) Compensation and monetary rewards
   (     ) Further training opportunities and higher education level
   (     ) Promotion for higher position
   (     ) Interest in the work I am performing
   (     ) I see potential growth in the organization I work in

19. If another organization today offers you the same job you have today, would you accept that employment? Please state why you should accept or not accept that employment:

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

Thanks again for your assistance!
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