

## **M. Erez. A Culture Based Approach to Work Motivation**

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### Introduction

Work motivation is shaped by the interplay between individuals and their work organizations. *Organizations* hire high potential people under the expectation that they will work to the full extent of their abilities, and exert all their effort and mental resources in their job. This expectation recognizes the existence of two important factors - a pool of potential physical and mental resources, and motivational forces that energize and regulate the allocation of those resources to work related activities. Motivation regulates the amount of resources to be allocated, the direction or goal towards which those resources will be allocated, and the persistence of allocation and direction over time. Motivation affects choice, action, and performance.

*Individuals* engage in work activities because work is a source of satisfying their basic needs for existence, relatedness and growth, and because work creates opportunities for developing a sense of self-worth and well-being ( Erez & Earley, 1993; Locke, 1991). However, these expectations are not always fulfilled. For several decades, the Roper Organization in New York City has been polling about twelve hundred employees every few years, and has found job satisfaction in America to be at its lowest level during the early 1990's. Similarly, the Hay Group, a Philadelphia consulting firm whose clients included American Airlines, Disney, GE, Chase Manhattan, Maytag and others, has surveyed 750,000 middle managers in 1000 large corporations, and found that the

percentage expressing favorable attitudes towards their companies dropped from 65% in 1987 to 55% in 1990 (Fisher, 1991) .

Dissatisfied employees are not motivated to allocate effort and mental resources to do their work, and they often show withdrawal behavior of lateness, absenteeism, and turnover, which is detrimental to productivity. Therefore, motivating employees is essential for maintaining the competitive advantage of the modern workplace.

One of the challenges that managers face is *how to link employee motivation to organizational goals?* This link occurs when employee behavior that leads to the attainment of the organizational goals also directly creates a sense of self-worth and well-being, and leads to the attainment of organizational rewards and recognition, as well. It is, therefore, important to understand how employees interpret the managerial and motivational practices as opportunities or constraints for satisfying their sense of self-worth and well-being.

People use two sources of evaluation to determine whether or not their self-motives have been satisfied: personal standards that are guided by internal criteria and differ from one individual to another, and standards and norms they get from their social environment which are shaped by cultural values. These standards are shared by all members of the same culture, and they change from one culture to another. Therefore, motivational practices that have positive meaning in one culture may not have the same effect on employee motivation in another culture. For example, working in teams may be most desirable in collectivistic cultures, such as Japan, Korea, Mexico, but not in individualistic cultures such as the US, Australia, and Great Britain. Organizational hierarchy, may be tolerated in high power distance cultures like the Philippines, Brazil, France, but not in egalitarian cultures like Israel and Denmark. Lack of separation of

roles between men and women may be highly regarded in societies with highly feminine values such as Sweden and Norway, but not in masculine societies like Singapore and Venezuela. A high degree of formality is appreciated in societies of high uncertainty avoidance like Greece and Portugal, but rejected in societies of low uncertainty avoidance like Sweden, Denmark, and Jamaica ( Hofstede, 1991).

However, most theories of work motivation overlook the effect of culture on the motivation potential of various managerial and motivational approaches. Such theories focus on the individual employee, and overlook the macro-level of cultural, societal, and economic factors.

This chapter proposes a motivational model that incorporates the cultural factor into a cognitive model of work motivation. The model examines the differential effectiveness of different motivational techniques through the prism of culture.

The chapter consists of four major parts: a) a multi-level approach to work motivation; b) cognitive models of work motivation; c) a culture-based model of work motivation; d) the effectiveness of motivational techniques across cultures.

### **A. A Multi-Level Approach to Work Motivation.**

For many decades, work motivation has mainly been approached from an individual perspective, and individual differences served as the focus of analysis. However, in the last decade we witness a shift towards a multi-level approach of analyzing research evidence on the group, and organizational level. This change reframes motivational concepts on the macro-level of groups, organizations, and cultures, and provides the methodological tools for anchoring culture in models of work motivation.

In his Annual review chapter of Organizational Behavior, O'Reilly (1991) pointed that Annual Review authors in 1982, 1984, 1985, and 1987 called for more attention to cross-level research, studies that incorporate both individual and group or organizational-level variables. Indeed, this shift has started to take place at the present decade: "While the micro side of OB seems to be in a dormant period, attention and interest have shifted substantially to the macro side. In 1979, 70% of the studies published in the Academy of Management Journal were on micro topics. By 1989 this figure had fallen to 38%. (p. 430). O'Reilly concluded his review by saying that "the macro side of the field appears to generating more intellectual excitement at the present (p.449)."

The majority of the papers reviewed by O'Reilly (1991) were still classified by the micro-OB categories, including motivation, work attitudes and job design. The following Annual Review of Organizational Behavior by Mowday and Sutton (1993) shifts towards a more macro-level under the title of "Linking Individuals and Groups to Organizational Contexts" (p.195). Furthermore, the most recent Annual Review of Organizational Behavior (Wilpert, 1995) focuses on more molar and pervasive aspects of organizational characteristics, antecedents and consequences of practices, as well as structures, and processes in and of organizations. Finally, in the forthcoming volume of the 1996 Annual Review, Bond and Smith (in press) take the field one step further to the macro-level using the title of: "Cross Cultural Social and Organizational Psychology". Thus, a significant change has occurred since Cappelli and Sherer (1991) wrote their influential chapter in which they warned that unless OB incorporates contextual factors to

explain organizational behavior, and unless it succeeds in bridging the micro-macro relationships, 'OB is likely to miss the chance to establish any independent identity' (p.97). Their message was two fold: First, that more emphasis should be given to the macro work context, and second that the micro-and macro-levels should be integrated.

Interest in the multi-level of analysis has led to three new developments: First, an emphasis on the meso-level of analysis (Cappelli & Sherer, 1991; Rousseau & House, 1994). The meso level, or the organizational level is perceived to be the bridge between micro-level individual behavior and the macro-level of societal, cultural, and economic factors (Cappelli & Sherer, 1991). A meso approach refers to "an integration of micro and macro theory in the study of processes specific to organizations which by their very nature are a synthesis of psychological and socioeconomic processes. Meso research occurs in an organizational context where processes of two or more levels are investigated simultaneously" (Rousseau & House, 1994, p.15).

Second, a hierarchical approach which examines organizations within national cultures, and individuals within organizations has recently been developed (Earley, 1994; Earley & Brittain, 1992; Hofstede, Bond & Luk, 1993; Hofstede, Neuijen, Ohavy, & Sanders, 1990; Klein, Dansereau and Hall, 1994). Models of this type examine both within and between group variance. The meaning of a personal attribute is determined by its deviation from the mean group. For example, social loafing can be explained by individual characteristics as well as by cultural characteristics. The individual tendency to loaf is expressed by the deviation of the individual score from the cultural mean score, which represents the culture (Earley, 1994).

Different variables emerge on different levels of analysis. For example, cultural values differentiated between employees from different nations, but not from different organizations within the same culture. In contrast, such differences were significantly explained by organizational practices (Hofstede et. al. 1990, 1993).

Third, micro-level concepts such as goals, self-efficacy, affect, and learning are transferred to the group and organizational level - group goals, group efficacy, group affect, and organizational learning (George, 1990; Crocker, Luhtanen & Blaine, 1994; Erez & Katz, 1995; Senge, 1994; Weingart, 1992; Weldon, Jehn, & Pradham, 1991; Weldon & Weingart, 1993.)

In parallel to the effect of individual goals on individual performance, group goals were found to have a significant effect on group performance (Weingart, 1992; Weldon et al., 1991). Collective efficacy, in parallel to self-efficacy, is the belief in one's group capabilities to mobilize the motivation, cognitive resources and course of action needed to meet given situational demands. Collective-efficacy becomes meaningful and separate from self-efficacy in groups with a high degree of interdependence among the group members. In highly interdependent tasks collective-efficacy has a stronger effect on performance than self-efficacy. In contrast, self-efficacy has a stronger effect on the performance of low interdependent tasks ( Erez & Katz, 1995).

Affect is also viewed as a group-level phenomenon. A study conducted on twenty six groups of sales persons in a large department store revealed that individual affect was consistent within groups, suggesting that the affective tone of a group is a meaningful construct (George, 1990).

The concept of individual learning has been extrapolated to the macro-level of organizational learning ( Huber, 1991 ; Senge, 1994) , and *Organizational Science* (1991) dedicated a special issue to the topic. Parallel to individual learning, organizational learning conveys knowledge acquisition, information distribution, information interpretation, and organizational memory (Huber, 1991). These processes contribute to organizational changes, and they are crucial for the continuous adaptation of organizations to their environment. An organization learns if any of its units acquires knowledge that it recognizes as potentially useful to the organization. How information is framed or labeled affects interpretation. A person prior's cognitive map (belief structure, mental representation, or frame of reference) will shape his or her interpretation of information. These cognitive maps vary not only between individuals but also between organizations and cultures. Most of the research literature on organizational learning is still on the conceptual level, with only very limited empirical research.

Fourth, there are new developments of statistical methods for the multi-level analysis. WABA was developed to answer the question whether a set of data represents a significant variance between groups, or whether the variance represents individual differences only (Dansereau, Alutto, & Yammarino (1984). Another approach for analyzing data on the group level estimates the interrater reliability for judgment of a single target by the group members. The interrater reliability represents the degree to which judges agree on a set of judgments (James, Demaree & Wolf , 1984).

The multi-level approach offers new methods for comparing between the different levels of analysis, but it does not offer a theoretical link between the various levels.

The only model that integrates the cultural level and the individual level of analysis in the work context is the model of Cultural Self-Representation (Erez, 1994; Erez & Earley, 1993). This model is based on cognitive models of information processing that explains how information from the social and organizational context, as well as from internal cues, is sampled, processed, interpreted, and stored in cognitive schema, and how it affects behavior. The ability to use symbols allows people to represent external stimuli, including organizational and cultural values in their cognitive schema. It also allows people to develop cognitive awareness of their internal self-regulatory processes that monitor and evaluate both internal and external stimuli.

The next section reviews existing cognitive models of work motivation that serve as the infra-structure for the model of Cultural Self-Representation.

#### B. Cognitive Models of Work Motivation.

The dominant models of work motivation are cognitive by nature. The goal-setting model proposes that goals and intentions are the immediate regulators of human behavior (Locke, 1991); the expectancy theory postulates that people are motivated to maximize their utilities (Vroom, 1964), and that they exert their effort to perform their job when they expect their effort to lead to the level of performance that is instrumental for the attainment of valued outcomes. The most recent model by Kanfer and Ackerman (1989) integrates goals and expectancies into a comprehensive model of resource allocation. Therefore, this model will serve as the basis for developing a culture-based model of work motivation.

The model by Kanfer & Ackerman (1989) proposes that individual differences in ability levels and resources capacity determine the *potential* total amount of resources that can be devoted to any set of activities. However, the *actual* amount of resources allocated to the job is determined by the level of motivation. The direction is determined by attentional effort. Effort is defined as the proportion of total attention directed to the task, and persistence means the extent to which attentional effort toward the task is maintained over time.

The model distinguishes between distal and proximal motivational processes: Distal motivational processes govern how much of an individual's total attention effort will be devoted to a given set of activities. Initially, this decision involves the joint operation of three cognitive mechanisms that are formulated in terms of the expectancy theory : a) the performance utility function, which refers to the individual's perceptions of the attractiveness of different performance levels of extrinsic or intrinsic outcomes, such as material rewards, recognition, and feelings of competence. Dispositional factors such as achievement orientation, and cultural factors such as values can also affect the relative attractiveness of different outcomes associated with higher levels of performance. b) The effort -utility function pertains to the anticipated costs and benefits of expending effort based on relatively stable preferences for effort. The criteria for evaluating the cost and benefits are determined by personal dispositions, and by cultural norms and values. c) The perceived effort-performance function integrates both effort-performance and effort utility functions. Positive motivation occurs when the effort-utility function exceeds the effort-performance function.

Distal motivational processes shape the immediate goals and intentions, which are volitional, and regulate the proximal motivation processes. The level of goal specificity, goal difficulty, and the provision of feedback on performance shape the proximal strategy of resource allocation to on-task, off-task, and self-regulatory processes during task engagement. Self regulation subsumes three interdependent activities: self-monitoring - the selective attention given to specific aspects of one's own behavior; self-evaluation, which involves comparisons of one's current performance with his/her desired goal; self-reaction, which refers to the internal responses that occur after self-evaluation, including satisfaction, and perceptions of self-efficacy (Bandura, 1986, 1991; Kanfer, 1990).

The self-regulatory process is based on the assumption that individuals have knowledge about their own cognitive processes. It is believed that they can actively influence the monitoring and appraisal processes in order to maximize perceptions of well-being. Self-regulatory processes operate in the service of the self, and they aim at developing and maintaining a positive representation of the self ( Bandura, 1986; Erez & Earley, 1993). Positive representation is subject to the process of self-evaluation. The criteria used for self-evaluation are determined both by personal and social factors. Personal criteria reflect individual difference characteristics, whereas social criteria reflect the cultural values, and they are shared by all members of the same culture. Variation in cultural values lead to different criteria that people across cultures use to evaluate a situation as self-enhancing. Hofstede ( 1991) used the metaphor that *culture is the software of the mind*. The *hardware of the mind* is universal, and people make sense of the environment and of themselves, by the mechanism of self-regulatory processes (Bandura, 1986; Kanfer, 1990). In contrast, the software of the mind differs across

culture, and people interpret the same organizational cues in different ways, depending on the cultural code that they use. Cultural values direct people to selective sampling, assessment, and interpretation of the information. For example, individual performance appraisal will be positively viewed by members of individualistic society, but negatively viewed by members of collectivistic society, and where face saving is of high importance. In the later case, individual performance appraisal violates the concept of teamwork, where performance is the outcome of the joint effort of all team members, and explicit negative appraisal violates the importance of face saving.

Cultural values as they are represented in the self, serve for evaluating the meaning of various motivational techniques as to a person's self worth and well-being. The nature of the evaluation as either positive or negative, directs employees' motivation either toward, or away from goal accomplishment ( Erez, 1994: Erez & Earley, 1993). The model of Cultural Self-Representation serves for explaining the causal links between culture, self, and work motivation.

### C) A Culture-Based Approach to Work Motivation.

#### a) Culture and values

Culture is often viewed in cognitive terms: Culture is “the collective programming of the mind which distinguishes the members of one group or category of people from another” (Hofstede, 1991, p.5); Culture consists of patterned ways of thinking (Kluckhohn, 1954); It is viewed as a set of shared meaning systems (Shweder & LeVine, 1984); and as a shared knowledge structure that results in decreased variability in individual interpretation to stimuli (Erez & Earley, 1993). The adoption of cultural contents is selective and

adaptive, therefore, different ecological environments modify different cultures (Berry, 1979; Kagitcibasi & Berry, 1989).

Culture shapes the core values and norms of its members, and these values and norms are shared and transmitted from one generation to another through social learning processes of modeling and observation, as well as through the effects of one's own actions (Bandura, 1986). In homogenous societies, such as Japan, and Singapore, norms and values of various in-groups are relatively homogenous, and they form tight cultures. However, heterogeneous societies, such as the US, have groups with dissimilar norms and values, and consequently, a loose culture is formed (Triandis, 1989, 1994). The strength and degree of internal consistency of a culture are a function of the homogeneity across groups, the length of time the groups have existed, the intensity of the groups' experiences of learning (Schein, 1990), and the generalizability of the norms and rules of behavior across situations. Loose cultures seem to be more tolerant of deviant behavior than tight cultures.

Culture is often represented by its value system. Values are defined as "enduring beliefs that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct, or end-state of existence" (Rokeach, 1973, p.5). Questions related to the importance of various needs, such as "have good fringe benefits", and "have the opportunity for advancement to higher level jobs" represented work values, and served for analyzing cross-cultural differences between countries (Ronen, 1994).

A comprehensive typology of content domains of values should cognitively represent three universal human requirements: biological needs, requisites of coordinated

social interaction, and survival and welfare needs of groups (Schwartz & Bilski, 1987). The crucial content aspect that distinguishes among values is the type of motivational goal they express. The structure of the value system seems to be universal. This structure consists of ten distinct motivational types of values, that were derived out of Rokeach's (1973) typology, and are organized in a circular structure in two dimensions (Schwartz, 1992):

The first dimension - Openness to Change (self-direction, stimulation, hedonism) versus Conservation (conformity, tradition, security) represents values emphasizing own independent thought and action and favoring change versus submissive self-restriction, preservation of traditional practices, and protection of stability. The second dimension is Self-Enhancement (achievement, power) versus Self-Transcendence (universals benevolence), representing values emphasizing acceptance of others as equals and concern for their welfare, versus those emphasizing the pursuit of ones relative success and dominance over others. Hedonism is related both to openness to Change and to Self-Enhancement.

However, the meaning of some specific values vary across cultures. Inferences about the meaning of specific values are derived from their location relative to the regions of the various value types. When a value emerges in an unexpected region it is culture specific. For example, self respect emerges with almost equal frequency in regions of achievement and self-direction values. When self-respect emerges with achievement values, the sense of self-worth may be built primarily on social approval obtained when one succeeds according to social standards. Where self-respect merges with self-direction values, the sense of self-worth may be linked more closely to living up to ones'

independent, self-determined standards. Self-respect emerges in the achievement region in almost all the East European samples perhaps reflecting a socializing impact of communism, with its emphasis on grounding self-worth in evaluation by one's group. In the large majority of samples from strongly capitalistic countries self-respect emerged in the self-direction region (Schwartz & Sagiv, 1995).

In a Japanese study true friendship was located in the security values region. It was quite far from the benevolence region in which it usually appears. This may mean that for the Japanese friendship is valued more for the security it provides than for the care it expresses toward close others. Forgiving was located in universalism rather than the benevolence value regions. This location means that for Japanese, forgiving is motivated more by an appreciation of life's complexities than by the desire to be kind to others.

Schwartz's (1992) typology of values is context free, whereas Hofstede (1980, 1991) is more specifically geared towards the work context. His typology consists of five core values: Individualism/collectivism; power distance, intolerance of ambiguity, masculinity/femininity, and future time orientation.

Of all five values by Hofstede, the two dimensions of collectivism versus individualism, and high versus low power distance seem to be most relevant for evaluating the meaning of various motivational techniques. Collectivism was found to explain most of the variance across cultures (Triandis, 1994). It pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty. Individualism, as its opposite, pertains to societies in which the ties between individuals are loose: one is expected to look after oneself and one's own immediate family (Hofstede, 1991, p.51).

These cultural characteristics are important for evaluating the effect of individual versus team-based motivational techniques.

Power distance is defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, 1991,p.28). This cultural characteristics is relevant for understanding the effectiveness of participative management.

These two cultural characteristics of collectivism and power distance create four types of culture: Horizontal collectivism, vertical collectivism, horizontal individualism and vertical individualism (Triandis & Bhawak, in press). Horizontal collectivism conveys a sense of oneness with members of the in-group and social cohesiveness. The vertical reflects a sense of serving the in-group sacrificing for the benefit of the in-group, doing one's duty as expected, and behaving as expected of a good citizen. Chinese are identified as vertical collectivists, whereas Israeli kibbutzim represent the horizontal collectivists. Horizontal individualism is shown by a combination of self-reliance and reluctance to being unique, like the Swedes. In contrast, vertical individualism is shown by a combination of self-reliance, and favoring ways to be distinguished and unique, as middle class Americans ( Triandis & Bhawuk, in press). The two dimensional typology is most useful for understanding cross cultural differences in motivational practices.

#### b) Values and motives

Values are perceived to be the cognitive representations of needs and motives ( Locke, 1991). Need satisfaction, in its broadest sense, is the organisms' survival and well-being. The motivational sequence is activated by the emergence of needs which

motivate individuals to take actions towards need satisfaction. On the cognitive level needs transform into values that serve as “ the cognitive representations and transformations of needs, and man is the only animal capable of such representation and transformation ( Rokeach, 1973:20). Similarly, Schwartz & Bilski (1987) defined values in motivational terms, and their classification of content domains of values cognitively represent three universal human requirements: biological needs, requisites of coordinated social interaction, and survival and welfare needs of groups. While needs and motives exist on both the biological and cognitive levels, values are exclusively a product of consciousness (Locke, 1991).

Values are the cognitive representations not only of individual needs but also of societal and cultural demands (Rokeach, 1973). On the individual level, values differ from needs in the sense that needs are considered to be fundamentally the same for all people, whereas values make each person a unique individual, and they guide one’s personal choices and actions (Locke, 1991). An extrapolation from the individual level to a higher level of aggregation suggests that members of the same culture are likely to share similar values which they acquire in the process of socialization. These values represent the acceptable modes of conduct and end-states of existence of a particular culture. Thus, values differentiate not only on the individual level but on the cultural level as well.

The correspondence between personal values of the type portrayed by Rokeach (1973) and cultural values (Hofstede, 1980) is illustrated by the following example: "equality" and "freedom", two of the central values in Rokeach's typology (1973), correspond with two of the major cultural values of high/low power distance, and collectivism/individualism in Hofstede's (1980) typology. Americans as compared to

Israelis, for example, rate higher on individualism and power distance, and correspondingly, they rate higher on "freedom" and lower on "equality" (Hofstede, 1980; Rokeach, 1973).

The immediate functions of values are to give expression to human needs, and to guide human action. Concern for end-states of existence, such as "peace", "freedom", and "equality", is expressed by terminal values whereas concern for modes of conduct, such as "ambitious", "capable", "helpful", is expressed by instrumental values. Values and needs correspond to each other. For example, the instrumental values "independent" and "intellectual" are highly rated by individuals who score high on need for achievement. On the other hand, the need for affiliation is highly related to the terminal values of "true friendship" and "a world of peace" (Rokeach, 1973).

Values, as the cognitive representation of needs, mediate the relationship between needs and goals and intentions in the motivation sequence. The complete motivational sequence consists of six steps: Needs--->values--->goals and intentions---> performance---> rewards--->satisfaction (Locke, 1991). Since goals and intentions are conscious by nature, needs cannot be translated into goals unless they have a cognitive representation in the form of values. Thus, values play a necessary role in ascribing cognitive meanings to needs, and in transforming needs into goals and intentions for action. Goals can be viewed as applications of values to specific situations. Goals and intentions serve as the immediate regulators of behavior. They regulate the intensity, direction and persistence of action.

Values have both a direct and an indirect effect on rewards and satisfaction. The indirect effect is through the sequence of goals, performance, rewards and satisfaction. The direct effect occurs because values determine what will be rewarding to people and what will satisfy them (Locke, 1991).

c) Values, the self construal, and self regulatory processes.

Values operate on the cognitive level. At this level two cognitive processes are identified: sensory-perceptual cognitive processes, and cognitive processes on the conceptual level. The process that underlies perception is neurophysiological and nonintrospectible. But at the conceptual level of awareness, the process of cognition is conscious, introspectible, and based on reason. This process does not operate automatically but volitionally (Bingswanger, 1991). Volition reflects the free will to choose to utilize or not utilize one's conceptual faculty. It is defined as "the ability to maintain and enact an action tendency the organism is committed to despite the impulsive nature of competing action tendencies" (Kuhl & Kraska, 1989, p.344).

The causal path from values to goals and intentions is purposeful and self-regulated. The ultimate purpose of the total belief system is to maintain and enhance an individual's self-image. Positive evaluation of enhancement and efficacy is obtained through the self-regulatory processes.

The positive representation of the self is maintained by satisfying three basic motives (Gecas, 1982; Markus & Wurf, 1987): a) self-enhancement, as reflected in seeking and maintaining a positive cognitive and affective state about the self; b) Self-efficacy, which is the desire to perceive oneself as competent and efficacious; c) Self-consistency, which is the desire to sense and experience coherence and continuity.

The process of self-evaluation requires the use of a set of criteria and guidelines. One set of criteria is provided by personal internal standards of the private, independent self. The independent-self represents a person's view of what makes him/her unique and unlike other persons. Another source is shaped by the reference groups and it reflects the

prevalent values in the society (Breckler & Greenwald, 1986). The collective facet of the self, or the interdependent self, is guided by the criteria of achieving the goals of, and fulfilling one's role in a reference group.

The interdependent-self corresponds to the notion of social identity, which is "the part of the individual's self-concept which derives from his/her knowledge of his/her membership in a social group, together with the values and the emotional significance attached to this membership" (Tajfel, 1978, p.63).

The criteria of evaluation that people use for having a positive representation of the self vary across cultures along with differences in cultural values, and they end-up shaping different meanings of self-worth. People who live in the same cultural environment share similar values and cognitive schemes, and they use similar criteria for evaluating the contribution of certain types of behavior to the development of a sense of self-worth (Triandis, 1989). Western cultures are known for their individualistic values. In these cultures the self is less connected and more differentiated from the social context. The normative imperative is to become independent from others, self-reliant, and to discover and express one's unique attributes. Western cultures reinforce the formation of the independent self "whose behavior is organized and made meaningful primarily by reference to one's own internal repertoire of thoughts, feelings, and actions of others" (Markus & Kitayama, 1991, p.226).

In contrast, the predominant values in cultures of the Far-East are collectivism and group-orientation, with an emphasis on harmony, conformity, obedience and reliability. These cultures tend to be homogenous. They share a common fate, emphasize interdependence, and a sense of collectivity, mainly when they are exposed to external

threat and competition with out-groups (Triandis, 1989). People in collectivistic cultures stress similarities with other group members that strengthen their group identity. Collectivistic cultures emphasize the connectedness of human beings to each other, and they cultivate the interdependent construal of the self (Markus & Kitayama, 1991). The interdependent self entails "seeing oneself as part of an encompassing social relationship recognizing that one's behavior is determined, contingent on, and, to a large extent organized by what the actor perceives to be thoughts, feelings, and actions of others in the relationship" (Markus & Kitayama, 1991, p.227). The focus of the interdependent self is on the relationship of the person to others.

Empirical findings demonstrate that people from East Asia tend to describe themselves in terms reflecting their collective-interdependent self more frequently than do Europeans or North Americans (Bond Leung & Wan, 1982; Trafimow, Triandis, & Goto, 1991). Furthermore, students from Western cultural background perceive their selves to be less similar to others compared to students from Eastern cultural background. However, students from Eastern background perceive others to be less similar to themselves than students from western cultures. This finding suggests that for individuals from a Western background self-knowledge is more distinctive and elaborate than knowledge about others, whereas for individuals from Eastern background, knowledge about others is more distinctive and elaborate than knowledge about the self. Chinese, who are driven by the interdependent self, have higher social needs than needs for autonomy, and for personal achievement (Bond & Cheung, 1983).

The different criteria for evaluation driven by the independent and the interdependent facets of the self, determine what kind of actions and situations will be

perceived as satisfying the three self-derived motives - efficacy, enhancement, and consistency. Enhancement driven by the independent facet of the self motivates individuals towards personal achievement. Situations and managerial practices that provide opportunities for individual success are positively evaluated by the independent-self. On the other hand, enhancement driven by the interdependent facet of the self motivates individuals to contribute to the success of the group, to avoid social loafing (Earley, 1989), and to meet expectations of significant others (Markus & Kitayama, 1991).

Self-efficacy becomes salient in face of the independent-self, whereas collective-efficacy, which pertains to people's sense that they can solve their problems and improve their lives through concerted effort (Bandura, 1986), becomes salient in face of the interdependent-self. Finally, self-consistency is evaluated by the independent facet of the self in line with previous individual behavior. Consistency with the interdependent-self pertains to the enduring relationship between a person and his/her reference group.

The independent and interdependent self-construals, and their self-derived motives, constitutes the link between the macro-level of culture and organizations, and the micro-level of employee behavior. Management practices in organizations are evaluated in line with the cultural values, as they are represented in the independent or interdependent self, and with respect to their fulfillment of the independent and interdependent self-derived motives.

d) A culture based model of work motivation.

The Culture Based Model of Work Motivation (see Figure 1) is derived out of the general model of Cultural Self-Representation, with a specific focus on motivational techniques. The four structural components of the model are: culture; the independent and

interdependent self-construals and their derived self-motives of enhancement, efficacy, and consistency; motivational practices; employee behavior. The dynamic characteristic of the model is reflected in the self-regulatory processes which explain how the four components are interrelated.

- Insert Figure 1 about here -

*The self:* According to this model self-regulatory processes operate in the service of developing and maintaining a positive representation of the self. The self regulates behavior by processing all self-relevant information both external and internal, by evaluating this information as either contributing or not contributing to a person's sense of self-worth and well-being, and by reacting accordingly. A positive representation of the self is maintained when the three self-derived motives of enhancement, efficacy, and consistency, are fulfilled.

The experience of self-enhancement, self-efficacy, and self-consistency is affected by opportunities in the environment. Such opportunities are evaluated by the self as facilitating or inhibiting the fulfillment of the self-derived motives. In the present case, opportunities for the fulfillment of the self-derived motives are created by motivational practices. Some practices, for example, differential reward systems, create opportunities for experiencing self-efficacy, whereas other practices, for example, lack of feedback, and external control, inhibit the opportunity to experience self-enhancement and self-efficacy.

*Culture:* The process of evaluation is guided by certain criteria, and values, which are shaped both by internal standards and by the cultural values of the society. Cultures are differentiated by their core values. Two of the most central dimensions of culture are: individualism versus collectivism, and power-distance. The former captures the the

dimension by which the members of one culture relate to each other. Collectivism, in contrast to individualism, conveys self-definition as part of the group, subordination of personal goals to group goals, concern for the integrity of the group, and emotional attachment to the in-group. Power distance refers to the extent members of a culture accept inequality and large differentials between those having power (e.g., managers) and those having little power (e.g., subordinates).

Cultural values determine what it means to be a person in the society, and they are represented in the self. Therefore, different systems of values shape different self construals. People who live in individualistic cultures are socialized to be independent, self-reliant, and to use internal standards of evaluation. Their cultural values reinforce the independent-self. In contrast, people who live in collectivistic cultures are socialized to see themselves as part of an encompassing social relationship, to stress similarities and identity with other group members, and to use the group values for evaluating situations and behaviors. These values reinforce the interdependent-self (Markus & Kitayama, 1991). Thus, the dominant facet of the self varies across cultures and situations. In more collectivistic cultures the interdependent self is more dominant, whereas in more individualistic cultures, the independent self is more salient.

The value of power distance further sub-categorizes the two self construals into sub-groups of horizontal-egalitarian versus vertical-hierarchical types. The horizontal type emphasizes similarities whereas the vertical type emphasizes differences. Accordingly, the independent-horizontal self-construal pertains to a person who values opportunities for egalitarianism and independence; the independent-vertical self values opportunities to experience independence and authority; the interdependent-horizontal self values

opportunities for egalitarian social interdependence, whereas the interdependent-vertical self values opportunities to experience high interdependence and authority.

*Motivational practices:* Motivational practices pertain to those managerial practices that aim at increasing employee involvement, and willingness to allocate physical and mental resources to their work. Four of the major motivational practices are: reward allocation, participation in goal-setting and decision-making, job enrichment, and quality management. Motivational practices are evaluated according to personal and cultural values as either facilitating or inhibiting opportunities for experiencing self-worth, and for fulfilling the self-derived motives. The positive, neutral, or negative value ascribed to the motivational practices is determined by the personal and cultural values, as they are represented in the self. Positive evaluation means that the motivational practices create opportunities for satisfying the self-derived motives as they are shaped by the interdependent and independent horizontal and vertical selves.

Motivational practices that satisfy the horizontal-independent rather than the vertical-independent facet of the self are more highly valued in egalitarian, individualistic, rather than in the non-egalitarian, individualistic cultures. Practices that satisfy the horizontal - interdependent rather than the vertical-interdependent self are more motivating in egalitarian rather than non-egalitarian collectivistic cultures. A positive evaluation of the motivational practices results in a positive effect on employees' performance and work behavior.

*Work Behavior* encompasses work-related behavioral processes that take place on both objective and subjective criteria. Among the objective criteria are: Performance quantity, performance quality, withdrawal behavior such as absenteeism and turnover, as

well as extra-role behavior. That is, behavior over and above expectations. Subjective criteria involve perceptions and attribution, attitude formation, motivation and commitment.

*An integration:* The causal link between culture, self, motivational practices and performance is portrayed as follows: Cultural values of collectivism and power distance shape the horizontal and vertical interdependent and independent facets of the self. These values, as they are represented in the self, serve for evaluating the meaning of various motivational practices for a person sense of self-worth and well-being. Positive evaluation motivates employees towards goal accomplishment, whereas negative evaluation results in poor performance.

The self construal, as it is shaped by culture, moderates the relationship between motivational practices and employee behavior. For example, tasks performed by self-managed teams are positively evaluated by employees with a dominant horizontal, interdependent self, who live in egalitarian, collectivistic cultures. Tasks performed by teams who run by team leaders are positively evaluated by employees with dominant vertical interdependent self, who live in cultures of high collectivism, and high power distance. Enriched jobs performed by individuals are highly motivating to individuals with horizontal, independent self, who live in egalitarian and individualistic cultures, whereas individual jobs performed under a hierarchy of authority are acceptable by employees with vertical, independent self, who live in cultures of high individualism and high power distance.

Managerial practices that motivate employees in one type of culture will not be highly motivating when implemented in a different culture. The following section examines

the meaning of various motivational practices in the context of collectivistic versus individualistic cultures with high and low levels of power distance.

#### D) The Differential Effectiveness of Motivational Practices Across Cultures.

Managers across cultures use four major types of motivational practices: reward allocation, participation in goal-setting and decision-making, job and organizational design, and total quality management. Two cultural values will serve for interpreting the meaning of the four motivational practices: collectivism versus individualism which explain the preference to work as individuals or in teams, and the value of power distance that pertains to the level of equality or inequality among various organizational levels.

Motivational approaches that enhance employee involvement in organizations are considered to be highly effective (Lawler, Mohrman, & Ledford, 1992). Employee involvement can be strengthened by allocating differential rewards versus equal pay; by approaching the individual employee or the team work; by allowing employees to become active participants in major job related decisions, or by charismatic leaders that direct their followers; and by emphasizing the intrinsic motivation versus external rewards for quality improvement of teams versus individuals. The meaning of each one of the motivational practices and its effect on a person's self-worth and well-being depends upon the cultural values as they are represented in the self.

##### **a) Reward allocation**

The two main cultural values of collectivism versus individualism and of power distance shape employee evaluation of the reward system, and its motivation potential. In an individually focused culture, people use independent, personal standards to evaluate

the impact of motivational techniques on their sense of self-worth and well-being, whereas in a group focused culture, interdependent, group based standards are used. In societies with high levels of power distance, or inequality, employees pay strong respect to their superiors, and avoid criticizing them. There are often large discrepancies in compensation, in status symbols, and in the quality of working life between managers and non-managers, and between different managerial levels in the organization ( Hofstede, 1991; Erez & Earley, 1993).

Reward systems across cultures are guided by three different allocation principles: The principle of *equity* - to each according to contribution, the principle of *equality* - to each equally, and the principle of *need* - to each according to need. These principles differ across cultures and are the result of preferences between individualism versus collectivism and egalitarianism versus high power differential.

The principle of equity leads to individual incentive plans. Typically, these plans are based on individual performance evaluations which determine the level of compensation for a particular employee (Gerhart & Milkovich, 1992). According to the principle of equity, two employees who have the same job can get different levels of compensation when one receives a better performance evaluation. These evaluations can be determined either objectively (e.g., number of units produced or the number of customers being served), or in subjective terms such as supervisor evaluations.

Theories of motivation and managerial practices developed in the U.S. are mainly guided by the equity rule, namely, that the rewards are differentially distributed, and that they are contingent upon performance. The same rule is embedded in the Expectancy model of motivation, in the Equity model, and in models of merit-based compensation plans. This

rule was first implemented by the Scientific Management School which advocated the philosophy of performance based compensation and the installment of individual wage incentive plans (Taylor, 1967).

Individual performance appraisals have been extensively developed, and widely implemented, in the U.S. because they are central to managerial decisions regarding incentives, promotion, etc. Merit-based incentive plans are very common in American corporations ( Lawler et. al., 1992), and they are consistent with the vertical individualistic values of American culture. However, this system leads to an increasing level of inequality in the society, and the gap between CEO's at the top of the hierarchy, and non-managerial employees is continually widening. A report in Business Week, shows that in 1990, even as profits declined 7%, the average chief executive's total pay climbed up to \$1,952,806 ( Business Week, 1991). Between 1980 and 1990, employees received a 53% increase in pay while corporate profit increased by 78%, and CEO compensation increased by 212%. A more recent report demonstrated that the gap continued to increase from 1990 to 1992. The average annual compensation was \$24,411 for rank and file employees, \$34,098 for teachers, \$58,240 for engineers, and \$3,842,247 for CEOs ( Business Week, 1993).

The dominance of the equity rule over the rule of equality or the rule of need in American corporations may not be taken for granted when implemented in a different culture. In collectivistic cultures, and in cultures of low power differential, the rule of equality is more congruent than the rule of equity. For example, North European countries endorse more collectivistic values than the U.S. This explains why only 19% of the

workforce in the Netherlands, and only 4% of the work force in Germany receive "payment by results". The rest of them receive equal pay (Thierry, 1987).

A comparison of the three allocation rules between the U.S. and Sweden revealed that the order of preference of allocation rules for the Swedes is equality, followed by needs and by equity, and that the three rules are more highly differentiated by Swedes than by Americans (Tomasson, 1970; Thornblum, Jonsson & Foa, 1985)). The equality rule was significantly stronger among Swedes compared with Americans. The equity rule was stronger in the U.S. than in Sweden, and the need rule was negatively viewed by Americans whereas the Swedes were indifferent to the rule.

The Swedish value system is more oriented towards equality than the American system (Tomasson, 1970). The Swedish education system discourages competition in favor of cooperation. Teamwork and solidarity are encouraged more than individual achievement. The high value given in Sweden to interpersonal orientation is emphasized in the criteria for advancement. A positive correlation was found between cooperativeness and rate of advancement in Scandinavia and Japan but not in ten other countries, including the U.S. the Netherlands, Belgium and Germany (Rosenstein, 1985).

A comparison between the U.S. and India of the three allocation rules demonstrated that for Indians the order of preference of the three rules was Need, Equality and Equity across situations. On the other hand, Americans distributed on the basis of equity when positive rewards were under consideration, but on the basis of Need when they considered a reduction in compensation (Berman & Singh, 1985).

In line with the allocation rule in India, the principle of need predominates collectivistic cultures because of the high level of personal interdependence, and a greater sensitivity to other people's needs (Murphy-Berman, Bernan, Singh, Pachuri, & Kumar, 1984). The rule of Need is more likely to be implemented when needs become visible, as in the case of India. Finally, Indians may be less sensitive to merit since status in their society is determined by affiliation and not so much by achievement (Berman & Singh, 1985).

China and Japan are known for their collectivistic values. Accordingly, Chinese used the equality rule in allocating rewards to in-group members more than did Americans, who were guided by individualistic values (Leung & Bond, 1984; Bond, Leung & Wan, 1982).

However, there are boundary conditions for the implementation of the rule of equality in collectivistic cultures and the rule of equity in individualistic cultures. Collectivists make clear distinctions between in-group and out-group members. They use the principle of equality to allocate rewards to in-group members, and the principle of equity for out-group members.

In individualistic cultures public allocation brings into salience the interpersonal dimension which attenuates the use of the equity rule and enhances the use of the rule of equality. Empirical findings demonstrated that Chinese and Americans both allocated to themselves more resources in the private condition when the social pressure was removed. Furthermore, high performers in both cultures, allocated to themselves more rewards than low performers. Chinese males used the rule of equality more than Americans both for in-group and out-group members. However, for out-group allocation they used the rule of equality when the allocation was public, and the rule of equity when allocation was made privately (Leung and Bond, 1984).

Similarly, a comparative study between the US and Korea demonstrated that Koreans, who are known for their collectivistic values, perceived allocators using the equality rule as higher on social evaluation than those using the equity rule compared to Americans (Leung & Park, 1986).

Performance appraisal is often used as the criterion for individual incentives. Individual performance appraisal is not acceptable in collectivistic cultures because the focus is on the group level and not on individual performance. For these reasons, attempts to implement an individual based incentive plans which use individual performance appraisal as the criterion are often rejected in horizontal collectivistic cultures (Gluskinos, 1988). Moreover, the use of performance appraisal for predicting job performance of successful managers seems to be valid in the U.S. but not in a collectivistic culture such as Hong Kong. A comparative study between managers in the U.S. and Hong Kong demonstrated that the following factors of performance appraisal were related to managerial effectiveness of American managers in the U.S.: reconciliation, persuasiveness, initiation of structure, role assumption, consideration, predictive accuracy, and superior orientation. However, none of these factors, or any other factors of performance appraisal, was related to the effectiveness of Chinese managers in Hong Kong (Black & Porter, 1991).

The type of reward schemes which emerge in each country fits in with the prevailing cultural characteristics. Attempts to transfer a reward system from one culture to another can result in a mismatch, and therefore, become ineffective.

Individually-based performance pay conflicts with teamwork because it creates competition between team members, and it often does not provide incentives for cooperation. American companies that encourage teamwork have been looking for

alternatives to individual incentives. A survey of Fortune 1000 corporations revealed that 11% of the companies used individual incentives in 1987 compared with 20% in 1990; team incentives were used by 12% of the companies in 1990, and no data were available for 1987; profit sharing plans increased slightly, from 34% to 37%; use of gain sharing plans remained steady at 3%; and the use of employee stock ownership plans increased very slightly from 48% to 49% (Lawler, Mohrman, & Ledford, 1992). Thus, it seems that American companies use employee stock ownership plans more than any other form of rewards, although this is still divided unequally among the employees, based on their organizational position, and performance evaluation.

**b) Participation in goal-setting and decision-making.**

The process of participation involves three psychological factors ( Erez, 1993):  
First, a motivational factor that satisfies intrinsic motivational properties of work by allowing greater employee influence, autonomy and responsibility. This is achieved through the clarification of performance expectations, and the link between performance and outcomes, by allowing personal control over one's course of behavior, and by enhancing the level of self-efficacy.

Second, a cognitive factor of information sharing is facilitated by open communication among all group participants, by upward communication, better utilization of information, and better understanding of the job and the rationale of underlying decisions. Employees who participate in decision-making learn, and gain information as part of the decision-making process, therefore they make better decisions and have a better understanding of what has to be done. This point is very important in a competitive

world where ideas and the contributions of every employee are needed to help companies remain competitive.

Third, group participation creates a dynamic process which puts pressure on individual members to keep to the group decision, especially when the decision is made publicly. Employees who are active participants in making a decision “buy-into” the decision and perform better than employees who are not committed ( Erez, 1993; Erez & Arad, 1986).

Adherence to the group is influenced by cultural values. For example, in some European countries employee participation is institutionalized by law, and is anchored in the political system that advocates socialistic and egalitarian values. Therefore, employee participation is congruent with the cultural norms, but mainly in the form of participation through representatives. In contrast, participation is not institutionalized in the US, which is more individualistic than most of the European countries.

Commitment to the group goals and decisions is affected by group cohesion. Therefore, one might expect a higher level of commitment to group goals in a collectivistic and group-oriented culture, where a priority is given to group rather than individual goals, and there is a great concern for the continuity and prosperity of the group ( Triandis et. al., 1988).

Cross-cultural differences in values may, in part, explain why participation in goal-setting had a significant effect on performance in some of the studies but not in all of them.. A comparative study between Israel and the US demonstrated that performance of the Israelis was significantly lower when the goals were assigned to them than when they participated in setting the goals. In addition, compared to the Americans their performance

was lower in the assigned goal-setting condition, but there were no differences between the two groups when goals were participatively set (Erez & Earley, 1987). The findings demonstrated the moderating effect of culture. The more collectivist and lower power distance Israelis reacted adversely to the no-participative goals as compared to the more individualistic and higher power distance Americans. No participation led to a low level of commitment in the Israeli culture than in the American culture, and consequently to a low level of performance, because commitment mediates the effect of participation on performance (Erez, Earley, & Hulin, 1985; Latham, Erez & Locke, 1988).

Differences in cultural values partially contributed to the inconsistencies in the effect of participation found by Erez and her colleagues (Erez & Arad, 1986; Erez, 1986; Erez & Earley, 1987), and the lack of effect found by Latham and his colleagues (See for a review Latham, Erez, & Locke, 1988). Latham and his colleagues conducted their research in North America. They reported on a high level of goal commitment across all experimental conditions in almost all of their studies. In contrast, Erez reported on high variance in commitment across experimental conditions. Americans were highly committed to both participative and assigned goals, whereas Israelis were only committed to the participative goals. This difference may be explained by the higher level of power distance in the American versus the Israeli culture, which led Americans, unlike the Israelis, to accept their assigned goals.

Cultural differences occur between sub-cultures within one country. Different effects of low, moderate, and high levels of participation were found in three industrial sectors in Israel, that differed in their collectivistic values: the private sector represents competitive-individualistic values; the public sector endorses employee participation in management, and

the Kibbutz sector, which is a commune managed by all its members, and is highly collectivistic. No-participation was most effective in the private sector, participation by a representative was most effective in the public sector, and group participation was most effective in the Kibbutz ( Erez, 1986). Again, the congruence between the level of participation and the cultural values led to the highest level of effectiveness.

In addition to the cultural values, employees' familiarity with the practice of participation is another explanatory factor. Participation in goal-setting was more effective for employees who used to work in high participation units, whereas assigned goals were more effective for employees who worked in low participation units (French, Kay and Meyer, 1966). The long-term experience with participative methods creates a work culture which facilitates the effective implementation of a particular method of participation.

A similar finding is true for other participative techniques. For example, the implementation of quality circles was successful in industrial plants in Israel where other forms of employee participation already existed, such as labor-management councils, but were unsuccessful in industrial plants with a predominantly authoritative managerial style ( Erez, Rosenstein, & Barr, 1989). When motivational techniques are inconsistent with the organizational or departmental culture, they are likely to violate the employee's internal motive of self-consistency.

Perhaps the most popular example of participative management today is that practiced in Japan. Employee participation takes the forms of small group activities, quality circles, suggestion systems, and the *ringi-sei* system which is a bottom-up decision-making process. Decisions in Japan are reached by group consensus and all employees who are affected by the decision take part in the decision-making process. By

doing so, they become committed to the decision and gain knowledge and understanding necessary to implement the decision. Although the decision-making process itself is time consuming, once a decision is made, its implementation is immediate and smooth.

Participative management in Japan fits in with the collectivistic values emphasizing team work, group harmony, and consensus. It also fits with the strong emphasis on friendships and family relationships prevalent in Japanese culture. The Japanese sense of self-identity is shaped by their group identity. Employees' personal well-being is defined in terms of group welfare, the sense of personal competence is defined in terms of the group competence and people feel good about themselves by contributing to the group and getting the recognition of others (Erez, 1992).

Participative management in Japan seems to be contradictory to the value of high power distance. Yet, hierarchy in the Japanese society is anchored in the traditional kinship relationships, and they are formed around the basic social unit of the father-son relationship (Kume, 1985; Erez, 1992). In work organizations the value of power distance takes the form of “Management Familism” where the relationship between the superior and the subordinate is parallel to that between father-son. In that respect, the meaning it conveys is different than the meaning of inequality in society, due to unequal distribution of power among social classes.

Participation has hardly been examined in developing countries. The dominant cultural values of most developing countries are of high collectivism, high power distance, low masculinity, and high uncertainty avoidance (Kanungo & Jaeger, 1990). According to these values participation may be an effective motivational technique in developing countries. (Erez, 1995). A high level of collectivism fits in with participative management.

The high level of power distance is contradictory to participation. Yet, similar to the Japanese culture, power distance resides in the family structure, and it can be developed to a form of management familism as in Japan, which supports participation. The high level of femininity coincides with social orientation, and hence, it supports group participation. The high level of uncertainty avoidance may be attenuated by group participation because information sharing reduces the level of ambiguity. However, effective participation requires that employees are educated and trained to become active participants. This means that they learn how to share information, analyze, interpret, and present information in a meaningful way. In addition, they need to improve their interpersonal skills, and to learn how to effectively interact in the group. Participation has the potential to become an effective motivational techniques in developing countries, but to materialize this potential employees in developing countries should be educated to become active participants.

To summarize, cultural values shape people's reactions to various types of decision-making and goal-setting. Decision-making and goal-setting can be undertaken by individuals or teams. In low power distance cultures, like Norway or Sweden, decision-making is more likely to be participative than in high power differential cultures. When a culture has a low power distance and is individualistic like the U.S., individual employees have a voice and get involved in decision making. In group-centered and low power differential cultures, like Mainland China or Israel, there is more group decision-making and group goal-setting than in individualistic cultures.

### **c) Job enrichment**

The Job enrichment approach calls for designing the job to be more rewarding and satisfying, and at the same time enriched jobs facilitate effective performance. The critical

psychological states that mediate the relationship between job dimensions and work motivation consist of experienced meaningfulness of the work ( skill variety, task identity, and task significance), autonomy that allows employees to experience personal responsibility, and knowledge of results (Hackman & Oldham, 1980).

*Job enrichment for individual employees:* Jobs can be designed to satisfy the independent and the interdependent facets of the self. The original model of job enrichment was developed in the U.S., and it was designed mainly for the individual employee (Hackman & Oldham 1980), and team work was not recommended as a means for self-enhancement: ..."unless the case of self- managing work groups is compelling, it may be more prudent in traditional organizations to opt for the less radical alternative of enriching the jobs of individual employees" (Hackman & Oldham, 1980:225).

The modern approach to job design in the US is known as *Reengineering* (Hammer & Champy, 1993). It is the search for, and implementation of significant changes in business practices to achieve breakthrough results. Reengineering is driven by the new managerial approach of quality improvement which focuses on the system rather than the individual, on processes rather than outcomes, and on customer satisfaction. The following example demonstrates the difference between the traditional work design and the Reengineering approach. The traditional job of GTE repair clerks was to record information from a customer, fill out a trouble ticket, and send it on to others who tested lines and switches until they found and fixed the problem. Once reengineering was implemented, the repair clerks were able to immediately solve three out of ten repairs themselves without having to forward the problem to other personnel ( whereas prior to the implementation of reengineering one out of two hundred repair calls were solved by

the repair clerks). The repair clerks, now called front -end technicians, were given new training which taught them how to use the testing and switching equipment, and these tools were moved to their desks. This change increased the level of skill variety, task significance, autonomy and responsibility, and allowed for immediate feedback from the customer. GTE stopped measuring how fast their employees handled calls and instead, tracked how often they cleared up a problem without passing it on ( Stewart, 1993).

The job of the operators was reengineered as well. Operators were given new software for accessing into databases, that allow them to handle virtually any customer request. Again, the job of the operators became more meaningful, and it allowed for a higher level of responsibility and autonomy, and direct feedback from the customer. As a result, GTE has witnessed a 20% to 30% increase in productivity ( Stewart, 1993). From a motivational perspective, Reengineering at GTE successfully resulted in a match between the company's goal to improve customer service and the employees' goal to satisfy their motives for self-growth.

*The group level: The Socio-Technical approach, or autonomous work-groups.*

In parallel to the development of the individual job enrichment, and Reengineering approaches in the U.S., a team level approach, known as the Socio-Technical System, or the Autonomous Work Groups, was developed in North European countries such as England, Sweden and Norway (Trist, 1981; Thorsrud, 1984). These countries are more collectivistic than the American culture. In collectivistic cultures, the interdependent facet of the self becomes more salient. Therefore, opportunities to work in teams and to contribute to team performance is more rewarding than working independently.

The socio-technical approach aims at integrating the social and technical aspects of the work system. Socio-technical interventions almost always involve the design of jobs on the group level. At this level, the five principles of individual job enrichment take the form of - team autonomy, team responsibility, feedback on performance, and task meaningfulness as enhanced by skill variety and by task identity and significance.

One of the disadvantages of the socio-technical system as viewed by American experts is that it "does not adequately deal with differences among organization members in how they respond to work that is designed for the sociotechnical perspective" (Hackman & Oldham 1980:65). This critique conveys the individualistic value of the American culture, which is more concerned with individual difference characteristics than with groups.

The most famous socio-technical project has been implemented in the Volvo auto plants in Kalmar and Uddevalla during the eighties. While these plants were shut down in 1993-1994 due to disastrous markets and low capacity utilization they still serve as excellent examples of the benefits and limitations of the autonomous work-groups ( Berggren, 1994).

The major purpose of implementing the autonomous work groups at Volvo was to attract a high quality labor force while reducing absenteeism and turnover rates. Turnover rates at these plants had reached levels in excess of 20%, in contrast to a 12% rate in assembly plants of American car makers and only a 5% level in Japanese car factories ( Prokesch, 1991). By adopting a new form of work design Volvo hoped to reduce this level and increase efficiency by "humanizing" the nature of work.

A socio-technical system substituted the traditional assembly line in the Kalmar plant. The work was organized in teams. Each team was responsible for a particular,

identified portion of the car - electrical systems, interior doors, etc. Team members had the opportunity to develop task identity by assuming responsibility for an identifying portion of the work. In addition, all group members developed multiple skills which allowed them to rotate among themselves and substitute each other. The multiple skill approach enhanced task meaningfulness. A sense of responsibility was developed by self-inspection of product quality. The immediate feedback on quality performance available through inspection provided knowledge of results and enhanced work motivation and performance. In another Volvo plant located in Torslanda, a similar approach was implemented on the departmental level by delegating to the four main departments (pressing, body work, painting and assembly) as much autonomy as possible. Each department had formed working groups to solve unique problems of the department. On the managerial level, industrial democracy had taken the form of work councils, consultation groups, and project groups. These groups had their own budgets to spend for the improvement of working conditions. The implementation of the socio-technical system helped to reduce turnover rate and to improve the level of product quality compared to the traditional assembly line. The function of management at Volvo had changed towards a creation of climate where the people who matter were able to have ideas and to try them out (Gyllenhammer, 1977).

The results in both plants showed a significant improvement in employee morale, turnover was reduced to 6%, and quality was high. In addition, Uddevalla quality surpassed Volvo's main assembly plant in Gothenburg, Sweden, and the Volvo 940 model assembled at Uddevalla, Kalmar and Gothenburg, was ranked the best European car. The short feedback loops enhanced team learning, and productivity progress at Uddevalla was remarkable. In 1992, the number of hours per car decreased dramatically

from 50 to 36 hours, similar to that in Kalmar, and to the average time in European car makers assembly plants. By these standards one could say that the autonomous work groups in these plants were a success.

However, during the same time period the number of hours per car in assembly line plants in the U.S. was between 22 and 25 hours, and in Japan was 17 hours per car. These figures call into question the “success” alluded to above. One explanation for the lower production rate was that although Uddevalla plant was designed for as many as 48 assembly teams, it had only 35 operating teams due to the dramatic decrease in sales. Further, each team could decelerate or accelerate the rate at which it received the parts. Since there was no pressure from the market to produce more cars, the teams may not have seen a reason to accelerate the pace of work to full capacity.

*Quality Control Circles:*

Employee involvement in Japan has taken the form of small group activities, or more specifically, quality control circles. Quality Control Circles are small groups in the same workshop that voluntarily and continuously undertake quality control activities, which include the control and improvement of the workplace (Onglatco, 1988:15). The purpose of quality control circles is to enhance the company-wide quality level, and at the same time, to contribute to the employees' sense of self-worth and well-being. Indeed, QC Circles in Japan significantly contributed to the improvement of product quality, they enhanced the level of efficiency and of cost reduction, and they facilitated innovation. QC Circles were found to have a significant positive effect on employees' sense of self-worth and well-being.

The Japanese example demonstrates that when the motivational techniques are congruent with the cultural values, they satisfy the self-derived motives, and result in a high performance level. In Japan, the interdependent-self is more salient than in more individualistic cultures. Therefore, enhancement, efficacy, and consistency are experienced when an individual makes a contribution to the quality circle and gets recognition for his/her contribution.

*Team work in individualistic cultures.*

In an attempt to compete against the Japanese, many American companies have implemented QC circles which are successful in Japan. However, these attempts are not highly successful (Cole, 1980). The reasons for the lack of success of Q.C. Circles in the U.S. are: the lack of long term mutual commitment between employees and their organizations; an individualistic culture which advocates individual work rather than team-work; the lack of top level managerial support, and short term management strategies which contradict the long term orientation of Quality Improvement (Lawler ).

Research on group performance in the US has shown that people working together did not perform as well as they performed when working alone ( Latane, Williams, & Harkins, 1979; Gabrenya, Latane, & Wang, 1983). This phenomenon of individuals exerting less effort when their efforts are combined than when they are considered individually is known as social loafing (Levine, Resnick & Higgins, 1993; Shepperd, 1993).

Cross cultural research has demonstrated that social loafing is moderated by culture. Although group performance loss was observed in the US, it did not occur in

collectivistic cultures such as China and Israel (Earley, 1989, 1993; Erez & Somech, in press).

However, an in-depth examination of the previous research on social loafing reveals that the conditions in those studies inhibited the development of cohesive groups: First, in almost all of the studies on social loafing there were no real groups. In some of them there were pseudo groups and subjects did not perform in the physical or social presence of others. In other cases, partitions were put between the group members such that they could not see, hear, or communicate with each other (Harkins, 1987, Harkins & Szymanski, 1989; Sanna, 1992).

Second, communication among group members, a major characteristic of interactive groups, could not occur in the pseudo groups, or when group members were separated by partitions. Yet, communication has been found to be an effective method of eliminating social loafing (Shepperd, 1993; Weldon, Jehn, & Pradham, 1991), and enhancing cooperation (Chen & Komorita, 1994; Edney & Harper, 1978; Wagner, 1995). Communication and interaction among group members have been shown to increase commitment and group performance (Matsui, Kakuyama & Onglatco, 1987), and the combination of group goal and group feedback for reciprocal task interdependence led to the best performance, compared to groups with low levels of interaction (Saavedra, Earley, & Van Dyne, 1993, Straus & McGrath, 1994; Mitchell & Silver, 1990). Communication between subordinates and superiors improved superiors' performance when subordinates were knowledgeable (Scully, Kirpatrick, & Locke, 1995), and participation in goal setting, and group discussion led to the highest level of commitment

to the personal goals and to individual performance (Erez & Arad, 1986; Latham, Erez & Locke, 1988).

Third, in most of these studies subjects did not have specific group performance goals, and they did not receive feedback on performance (Harkins, 1987; Harkins & Szymanski, 1989; Latane et al., 1979; Weldon & Gargano, 1988; Williams, Harkins, & Latane, 1981). Only a few studies incorporated goals when testing group productivity loss (Earley, 1989; 1993; Sanna, 1992; Shepperd & Wright, 1989; Weldon, Jehn & Pradham 1991).

It is reasonable to propose that in individualistic cultures social loafing can be eliminated when the members of a group are all present, work together, communicate with each other, have specific standards and performance goals, and when goal accomplishment is reinforced ( Erez & Somech, in press). In addition group performance loss is mitigated when the group members become personally accountable and responsible for and their performance (Weldon & Gargano, 1988: Weldon et al., 1991). All of these conditions which eliminate social loafing coincide with the definition of a group as involving mutual awareness and potential mutual interaction (McGrath, 1984). Thus, team work in individualistic cultures can be effective if all the above mentioned conditions are met.

The development of individual job-enrichment in the U.S., autonomous work groups in North Europe, and Quality Control Circles in Japan is not a coincidence. Rather, it proposes that different cultures enhance the development of different forms of motivational techniques. Cultural criteria are used for evaluating the motivational techniques. Motivational techniques which contribute to the fulfillment of the self-derived motives are

presumably congruent with the cultural values. In the U.S. individual job-enrichment satisfies the independent- self, which is cultivated by the value of individualism. In north Europe, the socio-technical system provides opportunities for the enhancement of the interdependent-self, which is supported by the collectivistic values, and in Japan, QC circles activities fit in with the values of groupism, and provide opportunities for the fulfillment of the interdependent- self.

Moreover, teamwork can be enhanced by creating an organizational environment that support teams. One such an environment is the Horizontal Corporation. When jobs that allow for more autonomy, responsibility, and meaningfulness are tied together, they form the horizontal corporation. The horizontal corporation is an effective way to push authority down the organizational ladder and increase the level of shared responsibility through redesigning the organization. "Forget the pyramid, smash hierarchy, break company into its key processes, and create teams from different departments to run them" this is the essence of the new design of the horizontal corporation ( Byrne, 1993). The Horizontal Corporation allows employees to have the autonomy to make decisions, and to take responsibility for their performance. For these reasons, horizontal organizations fit best in egalitarian cultures with low levels of power distance such as the United-States, Australia, England, the Netherlands, Sweden, and Norway.

The horizontal organization meets the competitive demands of the 21st century, and it looks like more and more companies are moving in this direction (Byrne, 1993). This form of organization is going to emerge in cultures of low power distance. In the individualistic cultures the horizontal organization is going to enhance personal

responsibility and personal accountability. It is going to support teamwork when the team members will be personally accountable and responsible for their group performance.

#### **d) Quality improvement**

Quality Improvement is a major factor in the competitive advantage of companies today. While the success of TQM in Japan has been widely documented, a McKinsey study in Europe and the U.S. found that two thirds of quality improvement programs have failed to show the expected results. One possible explanation is that the traditional programs of Quality Improvement, which are team based, fit in with the Japanese culture, but not with the Western cultures. The programs should be adapted to the Western cultures in order to become successful.

A culture based model of Quality Improvement proposes that different models of Quality Improvement should be developed in cultures of high versus low power distance, and in collectivistic versus individualistic cultures. The variation should be in the level of participation, and teamwork. Nave, Erez & Zonenshein (1995) postulated a general model of Quality Improvement that can be adapted to cultural variation - 3-D (dimensional) model of Quality Improvement. The model proposes that an effective program of quality improvement should be implemented on three levels - organizational, team, and individual. The organizational level enhances commitment of top level management, and creates the infra-structure necessary for a highly effective program. The team level is often where most of the activities of quality improvement take place. Yet all teams consist of individuals. Therefore, allowing individuals to feel personally responsible for quality improvement, and rewarding both team and individual efforts strengthen the effectiveness of the QI program. The 3-D model can be modified to fit the

particular cultural characteristics of the work environment. For example, emphasis on quality on the team level should be made in collectivistic cultures, whereas attention should be given to the quality of individual performance in self-focused cultures. In cultures with high power differential, top management should take the ultimate responsibility for the process of implementation, whereas in cultures with low power differential, top management should share the responsibility by empowering employees and/or utilizing self-management teams.

The 3-D Model suggests QI program implementation strategies for each of the three levels according to the emphasis given to the level in the culture.

a) *The organizational level*: Implementation on this level provides the infra-structure for the company-wide program, including: the establishment of ISO-9000 standards; criteria and measures of quality improvement; a computerized information system for quality data base; training programs and awards; a quality bulletin; the assignment of managers to serve as quality auditors; and the restructuring of the organization as a chain of internal customers.

b) *The team level* involves departmental and interdepartmental mission teams, holding regular meetings for setting quality goals, receiving feedback on performance, solving problems, and making suggestions for quality improvement.

c) *The individual level* consists of the training of employees to acquire skills, and create attitude change. Specific programs were designed for training employees as certified quality audits, self quality inspectors, and operators of the information system.

The organizational level is universal, because it provides the infra-structure for the operation of the Quality Improvement program. Possible variation in the

implementation is in whether the CEO assumes the major responsibility, or shares the responsibility with lower managerial levels, either as individuals or teams. Emphasis on the team or individual level can vary across cultures, with a strongest emphasis on the team in collectivistic cultures, and on individuals in individualistic cultures. In individualistic cultures quality is perceived to be personal ( Roberts & Sergeketter, 1993 ).

The implementation of the 3-D Model on all three levels in an Israeli repair plant of vehicles was found to be very successful ( Nave, Erez & Zonenshein, 1995). At the end of sixteen months of implementation the external ISO-9000 evaluation increased from a grade of 38 to a grade of 80, which accredits the plant for ISO-9000. The cost of quality decreased from 22% to 2%. Inventory cost decreased by 11%. Savings, as a result of the suggestions system, were four times higher at the end of data collection than prior to the implementation of QI. The accident rate decreased by 62%. There was also a significant change in the organizational culture with a growing emphasis on the values of: quality, innovation, attention to details, team orientation and supportiveness. Attitudes significantly changed towards higher levels of commitment and work satisfaction. The change towards a quality-oriented culture highly correlated with the improvement in performance quality.

The 3-D model of Quality Improvement can be successfully adapted to other cultures as well because it can either emphasize the individual, the group or the organizational level, depending on the cultural fit. QI programs in Western cultures should emphasize the individual level. Activity at the team level should allow for personal accountability and personal responsibility.

Although Deming (1990), one of the founders of the QI movement objected to individual level of performance appraisal, MBO, and individually-based incentives, these HRM practices should be incorporated in QI programs in Western cultures, because they fit in with the cultural characteristics. Indeed some of the American companies who won the Baldrige Award are known for the quality goals they set.

For example, Motorola which has already cut defects from 6,000 per million to only 40 per million in just 5 years, has a goal of further cutting defects by 90% every 2 years throughout the 1990's. Quality criteria are often included in employee performance evaluations. Federal Express rates employees on both quality of work and customer service. Xerox evaluates employees on an individual basis, but contribution to the team is one important criterion for evaluation.

Furthermore, all of the companies integrate rewards based on individual and team levels. At Xerox, individuals are nominated for the President's Award, or the Xerox Achievement Award. Teams compete for the Excellence Award, and the Excellence in Customer Satisfaction Award. Motorola sponsors a Team Quality Olympics where teams make formal presentations of their contributions, and receive gold, silver and bronze medals accordingly. Westinghouse has implemented peer review for determining their quality achievement winners.

In addition to the individually based pay systems Western companies offer organizational based pay systems of profit sharing, gain sharing, and employee stock ownership plans ( Lawler et. al., 1992). Empowering employees to be personally accountable for quality and rewarding their contribution to quality improvement fit well

with the U.S. culture. Thus, programs of Quality Improvement can be designed to fit in with the cultural characteristics of different cultures.

#### Summary and discussion

The culture based model of work motivation serves as a useful conceptual framework for evaluating the motivation potential of various motivational techniques across cultures. The model draws the link between culture, self, motivational practices, and employee behavior.

The system of information processing, and more specifically, the mechanism of self-regulation, including goal setting, monitoring, evaluation, and self-reinforcement are universal. The three self-derived motives of enhancement, efficacy and consistency are universal.

Yet, what is not universal are the values and criteria which serve for evaluating the motivational techniques and their potential contribution to the fulfillment of the self-derived motives. Emphasis on different value contents vary across cultures. In parallel, the cultural values shape the horizontal and vertical interdependent and the independent facets of the self. The four different self-construals provide different criteria for evaluating the potential contribution of various motivational techniques to the fulfillment of the self-derived motives.

Therefore, a motivational technique that satisfies the horizontal independent self-construal in an egalitarian individualistic culture will not be effective for satisfying the vertical independent self or the horizontal and vertical interdependent self construals in collectivistic cultures. A motivational technique that pushes authority down and allows for personal or team responsibility, will be appreciated in cultures of low power distance, but

not in cultures of high power distance, where employees expect their superior to take the lead.

Figure 2 summarizes the variations in the four motivational practices that were examined in this chapter, and their fit with four types of cultures: individualistic - low power distance; individualistic- high power distance; collectivistic - low power distance; collectivistic- high power distance.

Insert Figure 2 about here.

In individualistic cultures of low power distance - reward allocation is guided mostly by the rule of equality; decision-making is guided by the delegation of authority; effective goal-setting is obtained by personal involvement; job enrichment is positively evaluated; practices of quality improvement are geared towards individual employees.

In individualistic cultures of high power distance - reward allocation is guided mostly by the rule of equity; decision-making is centralized and top-down; goals are assigned to the employees; jobs are designed in a hierarchy of authority, and quality improvement is centrally controlled, and focuses on the individual employees.

In collectivistic cultures of low power distance - reward allocation is guided mostly by the rule of equality and needs; decisions are made by group participation; goals are set by the group members; jobs are designed for teams in the form of autonomous work groups, self-managed teams, and quality circles; practices of quality improvement are geared towards teams.

In collectivistic cultures of high power distance - reward allocation is guided mostly by the rule of equity or needs at the group level; decision-making is centralized and top-

down; group goals are assigned; jobs are designed for teams which are closely controlled by top-management teams; and quality improvement is centrally controlled, and focuses on teamwork.

A culture based approach to work motivation, takes into consideration the cultural values that serve for evaluating the meaning of the motivational techniques. What motivates people is influenced by culture. Reward systems, job design, decision-making and goal-setting processes, and programs of quality improvement which are shaped in line with the cultural values are most likely to motivate employees to accomplish the organizational goals because they satisfy employees' motives for self-worth and well-being, as they are conceived of by the representation of the cultural values in the self. In contrast, motivational practices which are incongruent with the cultural values are less likely to have a positive motivational effect on employees' performance and behavior.

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Figure 2 Effective Motivational Techniques in Collectivistic versus Individualistic Values, and in Cultures of High and Low Power Distance.

	Low Power Distance	High Power Distance
Individualistic Rewards:	<i>The rule of equality:</i>  Profit sharing, Gain sharing	<i>The rule of equity</i> Individual Incentives,  High Salary Differential
Decision-Making:	Delegation of authority Individual decision-making	Top-Down Centralized
Goal-Setting:	Personal involvement in goal-setting	Assigned individual goals
Job Design:	Enrichment of individual jobs	Individual jobs in a hierarchy of authority and responsibility
Quality Improve. at the level of:		
The Organization :	Empowerment	Centralized Control
The Team :	Second to Personal Quality	Second to Personal Quality
The Individual :	Individual Training Individual Responsibility Individual Feedback Individual Problem-Solving Individual Perf. Appraisal Individual Rewards	Individual Training Individual Responsibility Individual Feedback Individual Problem-Solving Individual Perf. Appraisal Individual Rewards

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	Low Power Distance	High Power Distance
Collectivistic		
Rewards:	<i>The rule of equality or needs</i>	<i>The rule of equity or needs</i>
organization	Equally distributed organization based rewards Equally distributed employee Stock Ownership Plans	Group based rewards Unequally distributed based rewards Unequally distributed employee Stock Ownership Plans
Decision-Making:	Delegation of authority Group participation	Top-Down Centralized decision-making
Goal-Setting:	Group goal setting	Assigned group goals
Job Design:	Autonomous Work Groups Self-managed team	Team work controlled by top management teams
	Quality Circles	Quality Circles
Quality Improve. at the level of:		
The Organization:	Self-Management	Team Leadership
The Team :	Team Training Team Responsibility Team Feedback Team Problem-Solving	Team Training Team Responsibility Team Feedback Team Problem-
Solving		
Evaluation	Team Performance Evaluation Team Rewards	Team Performance Team Rewards
The Individual :	Second to Teams	Second to Teams