Motivation in Knowledge Intensive Firms
– More art than science

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Summary

Title	Motivation in Knowledge Intensive Firms – More art than science
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Authors	Lina Friberg & Andreas Nilsson
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Keywords	Motivation, Knowledge Worker, Culture, Recruitment, Rewards
Purpose	Our purpose is to reflect upon what is written about the motivational effects of recruitment and reward strategies in Knowledge Intensive Firms
Methodology	Our essay is based on an abductive advocacy. During our analysis we have been using a reflexive approach where we have always tried to challenge our existing interpretations.
Theoretical perspectives	We have used general motivation theories developed by Maslow, Hertzberg and Vroom but also theory connected with the content of reward systems as well as recruitment strategies.
Empirical foundation	The empirical foundation consist of 9 scientific articles which is related to our purpose and were published in reliable journals
Conclusion	Knowledge intensive firms have to develop strong recruitment strategies and reward systems. Still it is not these separate tools alone that will make the main difference in the effort of motivating knowledge workers. The mystery of motivation in knowledge intensive firms is the overall understanding of different cultural aspects.

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1) Knowledge Management, a demanding job

We believe that there have never been so many educated people on this planet, and never before have the demands on employees, but also the demands from employees been as high as they are right now. In this section we will lead the discussion regarding a new perspective on employees and the problems that comes along with it, involving management, knowledge workers and motivation. This will take place under the headline "Motivated workforce as a business success factor" and "Problem and Purpose" witch is followed by "Concepts" and "Disposition"

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1.2) Motivated workforce as business success factor

Looking back in to the past of industrial age, organizations considered employees just as an unfortunate cost. In present time however most organizations has developed a change of perspective and it is now common to consider employees as an asset (Salaman et al, 2005:1). *Human Resource Management* (HRM), which involves all management decisions and actions that affect the relationship between the organization and employees – its *human resources* (Armstrong, 1998:13), has played an important role in this shift of thinking. The HRM strategies are important because they affect how organizations are changed, how they perform, how people are treated and the strategies essentially affect the overall nature of employment (Salaman et al, 2005:1-2).

But it is just not the perspective on the employees that have changed, the employee are considered an asset for a reason. A new worker is in town and is called a *knowledge worker*! This is an employee who is highly educated and knowledgeable and can also be considered being a success factor. The power that comes with being knowledgeable brings on a new demand on management in *Knowledge Intensive Firms* (KIFs), where the human recourses are knowledge workers. This new difficulty consists of keeping the employees within the organization but also to motivate the workers to continue developing and sharing their knowledge within the organization. The employees are also more demanding than ever and there need to be a match between the two sides. A combination between *Human Resource Management* (HRM) and *Knowledge Management* is the key for connecting the different demands from employers and employees, but the work is not easy. We have been given access to the result of a recent survey (See exhibits 1, 2 and 3) regarding the demands highly

educated and successful students have on their future employer. They know what they want, which we will later give account for. Organizations need to fulfil their wishes in order to first attract but then also later hang on to the workers and the knowledge that comes with them. We would like to argue that the shift in thinking about employees as an asset has given *motivation* of employees an important role when organizations are trying to stay competitive and successful in the market in which they operate through *recruiting, developing and retaining* qualified employees.

There are researchers and voices that claim that management is not central for motivation or even that it is impossible to motivate an employee, instead they argue that motivation comes from within (Grensing-Pophal, 2004:21; Boëthius & Ehdin, 2006). Even if this argumentation might be true to some extent this is not something that management can trust, they need to actively work with different tools such as *strategies* for recruitment and rewards in order to motivate their employees. After talking about and discussing the subject of *motivational strategies* with five organizations, all world-leading and successful within their specific type of business, we became aware of the importance of these strategies. Organizations with fully developed *motivational strategies* consider them as competitive advantages and do not talk openly about them. This makes the subject all more interesting to look further into, and that is what we are going to do in this thesis, through independent studies of what has been written about the subject of *knowledge intensive firms* and *knowledge workers* in relationship to *motivation*.

1.2) Problem and Purpose

It is argued that the labour market of the 21st century will continue to tighten. Innovative organizations are digging deeper and deeper for incentives that will help them recruit, retain and motivate employees in order for the organization to be successful on the market in which they are operating (Grensing-Pophal, 2004:24-26). But organizations today often consist of a very diverse workforce, which naturally generate many different drive forces of motivation and therefore makes the motivational aspect of management even harder to handle. If we then take in consideration that what motivates a *knowledge worker* is personally related for each and every worker, it adds to the complexity of managing motivation.

Along with the changed perspective on employees, there has also been a shift in needs and values of the workforce compared with the workforce fifty years ago or even ten years ago. The contemporary workforce are holding a higher level of education, are less interested in following direct orders, are more loyal to themselves than they are to the company they work for and are more concerned about meeting their own needs. It is also argued that the employees of the present time are more impatient than before. Workers are not willing to stay in an organization if they are not getting a promotion or increased salary within a few years. They want to see results of their effort in an organization as soon as possible and if they are feeling that they are lacking the possibility to improve their working conditions and their benefits they most certainly will be searching for another job (Grensing-Pophal, 2004:24-26).

This generalization of overall patterns of the profession knowledge worker is a very big challenge for employers and managers. Motivational work can be a highly problematic task when it comes to the present generation of workforce. This means that employers and managers have to develop creative ideas and solutions of how they are going to motivate their employees (Grensing-Pophal, 2004:24-26). We believe that it is of great importance for organizations to consider *recruitment strategies* and *reward systems* as crucial for motivation and business success.

In summery there has been a shift in how organizations values their employees but there has also been a shift in how employees values their work. Adding these new perspectives together with the difficulties and importance regarding motivational strategies, management in KIFs is facing a challenging task when trying to motivate knowledge workers. The writings about this field of subject are relatively limited and the majority of existing scientific articles are dated after the year of 2000. We believe that this makes the subject of this thesis even more interesting and relevant in present time simultaneously as it makes us excited to reflect upon the ongoing discussion of motivation in KIFs. We will in this thesis look further into what is written about the two strategy tools of *recruitment* and *rewards* that KIFs have to work with when motivating knowledge workers. We will discuss the complexity of motivation from the perspectives of a demanding work force, which will result into a deeper understanding of what KIFs have to consider in their effort to reach success through a motivated work force.

From this problem discussion we have formulated following question:

How does the motivational strategies of recruitment and rewards relate to the complexity of Knowledge Workers?

With our problem discussion and research question as background we have formulated this distinctive purpose:

Our purpose is to reflect upon what is written about the motivational effects of recruitment and reward strategies in Knowledge Intensive Firms

1.3) Clarification of Concepts

In this section we would like to clarify a few concepts that we will be using throughout our thesis. These clarifications will make it easier for you as a reader to follow the different meanings and understand our analysis.

1.3.1) Knowledge intensive firms

A knowledge intensive firm (KIF) can with a few words be described as *an organization which is using advanced knowledge in order to create value for their clients*. (Alvesson, 2004:29-30). KIFs can be distinguished from other organizations when looking at the nature of work, how it is managed and how it is organized. KIFs are emphasising a rather high degree of autonomy and the downplaying of organizational hierarchy. Most KIFs are using flexible ad hoc organizational structure because there is a need for extensive communication in order for problem-solving activity to work smoothly (Alvesson, 2004:21). KIFs can be divided in two specific groups and those are professional service firms and R&D (research and development) organizations. Professional service firms can be such as law and accountancy firms, management, engineering and computer consultancy firms, advertising agencies and investment bankers while R&D firms includes science-based companies such as pharmaceutical and biotech companies and high-tech companies based on engineering knowledge (Alvesson, 2004:18-19). Despite of this dividing we will during our thesis only refer to the gathered term KIF. It is argued that the competitive advantage of KIFs lies mainly in the effective use of human resources (Alvesson, 2004:22).

1.3.2) Knowledge worker

KIFs include employees who are using their intellectual and symbolic skills in the knowledge-based work and they are therefore called *knowledge workers* (Alvesson, 2004:21).The most essential attributes of knowledge workers are education, training, problem-solving ability, creativity and intelligence (Alvesson, 2004:29-30). Knowledge workers are in general paid far above average salaries and are considered as having high status. These specific kinds of employees are sometimes referred to as gold-collar workers (Alvesson, 2004:18). It is sometimes stated that knowledge is simultaneous an input, medium and output for their work. The term *knowledge* is rather hard to define but it is most commonly to distinguish between *tacit* and *explicit* knowledge, where tacit knowledge is less transferable then explicit. It is argued that knowledge can not be entirely tacit or explicit but rather it is a mix which either tends toward the tacit or the explicit side (Alvesson, 2004:45-46). Knowledge work is driven by professional judgement when solving unique and complex problems (Alvesson, 2004:22).

1.3.3) Motivation

All over our planet there are work activities going on and sometimes the workers are doing an excellent job, but in many cases there are workers who are making a poor job in their respective work places (Gellerman, 1995:11-12). The main difference in excellent and poor work activity lies in the notion of *motivation*. When talking about motivation in our thesis it is necessary to define what we mean since motivation is a board term. For example it is argued that some employees are motivated to go to work because they like what they are doing, they feel a sense of being a part of something and they enjoy their work life (Grensing-Pophal, 2004:4-6). But being motivated to go to work does not necessarily result in better quantity or quality. Instead we focus on motivation defined as *the effort of helping people to focus their minds and energy in performing their work as effective as possible*. Individuals and organizations that can accomplish this sense of feeling will have a great competitive advantage (Gellerman, 1995:11-12). In order to motivate the employees it takes a lot of afterthought, attention to details, knowledge and flexibility (Gellerman, 1995:16). Motivation can be divided in two different ways. The first is called *intrinsic* motivation and derives from within the specific individual and the second is *extrinsic* motivation which derives from factors of the surrounding environment (Jacobsen & Thorsvik, 2002:297). In our thesis we will look at the two different tools of recruitment and reward strategies that knowledge intensive firms are using in order to *motivate knowledge workers to create and share*

knowledge in order to solve complex and ambiguous problems. The truth is that motivation is something mysterious (Gellerman, 1995:27) which therefore makes motivation even more challenging then first thought of.

1.4) Disposition

We have chosen to structure our thesis according to the linear-analytical way, to create a better understanding of our subject and to make it easier to read and follow. The thesis is therefore divided in to following chapters; *"Management, a demanding job", "Method", "The road to motivation", "Motivating knowledge sharing and creation, a forever ongoing challenge"* and finally *"Conclusion and discussion".* After this introducing chapter, the thesis disposition is as following:

- ♦ In the next chapter we will present our *Method* where we give account for relevant methodological choices made for this thesis.

- ♦ In chapter 3 we will present our *Frame of references* under the headline "The road to motivation". Here we give an account for general motivational theories but also general facts of recruitment strategies and reward systems.

- ♦ In chapter 4 we enter our *Analysis,* under the headline "Motivating knowledge sharing and creation, a forever ongoing challenge". In this part of our thesis we will give account for our empirical data and relate that to theory. We have chosen to alternate empirical data and analysis to elucidate and facilitate for the reader to see the connections. Our expectation is that by doing so the thesis will be more interesting to read.

- ♦ In chapter 5, *"Conclusion and Discussion"*, we will discuss our result and its relevance in a wider perspective. Suggestions for future studies will also be presented.

2) Method

In the following chapter we will state our choice of method that we have been using during our work of the thesis, which is based on an abductive advocacy. Our empirical foundation consist of scientific articles which are related to our purpose and are published in reliable journals. The method chapter is divided in "General methodological considerations", "Research approach", "Empirical data", "Material processing and analysis" and finally "Criticism of the sources and Delimitation".

2.1) General methodological considerations

The thesis is founded on a base of literature consisting of books and scientific articles. The literature has its starting point from the program *Managing People, Knowledge and Change* but also from earlier university studies within business administration. Further we used the databases Lovisa when collecting relevant books and Elin when gathering valid articles which would contribute to our analysis in an appropriate way, in relation to our purpose of the overall thesis. Related search words were use in different combinations in order to find the most suitable scientific articles that addressed the two motivational management tools, recruitment and reward systems. As secondary data we have also used an empirical investigation which has been carried out by Nova100. The investigation has been made in order to find out what highly educated students are expecting and valuing most of their future employers. Nova100 is an organization which is working for assembling the most talented students of universities and the most successful professionals on the labour market with top companies. This empirical investigation is in this essay only used as an additional reference in order to clarify what knowledgeable and attractive employees in present time are valuing.

All in all we have been using suitable books in order to construct a theory that we believe is crucial in relation to our purpose of the study. Further in our essay we have analysed and reflected upon 9 scientific articles which we found interesting and revealing according to our curiosity in the chosen field of subject. During our analysis of the articles we have had the Nova100 investigation as a complementary at hand for comparison.

2.2) Research approach

During our former studies we have become interested in the field of motivation and we have in our bachelor thesis's both been writing about motivation from different perspectives. These previous studies have intrigued us to further explore the phenomenon of motivation. Our ongoing studies in the program *Managing People, Knowledge and Change* have given us new perspectives within the knowledge intensive era and how this affects managerial work. Our previous interest in the subject has given us a good pre-understanding which we believe gives us a good take-off point in our thesis work (Jacobsen, 2002:34). This pre-understanding evolved into an interest to identify relations between the field of KIFs and different motivational aspects. We would further try to find joint patterns but also inconsistencies in a reflexive way in order to find interesting aspects which could be discussed and evaluated according to the ambiguity within the field of motivation (Andersson, 2003:8).

Our line of research is based on an *abductive approach* which functions as an interplay between our work on scientific articles as our empirical data and general literature in our theory. We believe that this approach gives us an additional understanding of the empirical information gathered through the chosen scientific articles. As the analysis of empirical data proceeded we constantly searched for new theories which gave us the possibility to give our interpretations a different angle (Alvesson & Sköldberg, 1994:42).

Literary surveys has for a long time been a self-evident way for researchers to quickly get a grasp of what is written within a certain field of interests. We will carry out an essay where we in a reflexive way will analyse articles in order to reach for a conclusion. What is positive about this kind of analysis is that there can appear interesting aspect which has in the articles not previously been considered as relevant. What is negative in this way of doing research is that it is often hard to see the differences in *power* between different articles (Andersson, 2003:15-20). According to this as you can read more about below, we red the articles very closely and we also used a document which had evaluated and pointed out the most reliable journals. What we believe is very interesting and valuable is that the results of two similar analyzes can have very different conclusions. This is because everyone is interpreting an article different and with different background of education and experience it is most certain that the results of the research will give emphasis to variant aspects.

2.3) Empirical data

We have gathered our empirical data from scientific articles.

2.3.1) Choice of scientific articles

Our choice of scientific articles is based on our aim to investigate motivational factors in the field of knowledge work. In order to find relevant articles which highlight the field of interest we made an extensive search in the database Elin. Many different search words were used and articles with more or less value to us were found. The search words that we used in order to find those relevant scientific articles for our thesis were *knowledge intensive firms, knowledge management, knowledge organizations, knowledge workers and gold-collar workers* in various combinations with *HRM, rewards, recruitment* and *motivation*. Of all the evaluated articles we selected 48 articles, from which articles older than 8 years later were excluded since we considered them to old for our purpose of study. Relevant and later selected articles were published between 2002 and 2008. After finding articles which included for us interesting information about motivation in KIFs we made sure that the articles were reliable. In order for us to ensure that the article derives from reliable research we looked at the journal which had published the article. To be sure that the journals were trustworthy we used a directory consisting of business administration journals which the society for British business schools has agreed on as direction for high-quality journals. After this procedure we selected 9 articles that consisted of relevant information and were published in reliable sources. The majority of the scientific articles are based on empirical investigations and the rest are based on former writings. This allows us to make interpretations of a perceived reality but also of vital theoretical findings. Apart from the 9 selected articles we also used other scientific articles but these are not considered as the basis of our analysis. Our main angle will be on the management perspective and how they work with strategies in order to motivate their knowledge workers, but we will also look into the issues from a knowledge worker point of view regarding their demands and wishes.

2.3.2) Presentation of analysed scientific articles

♦ **Title:** Strategic positioning of HRM in knowledge-based organizations
Author: Mohan Thite
Journal: The Learning Organization
Year: 2004

♦ **Title:** When knowledge management meets HR strategy: an exploration of personalization-retention and codification-recruitment configurations
Author: Astrid Haesli and Peter Boxall
Journal: The International Journal of Human Resource Management
Year: 2005

♦ **Title:** Determinants of individual engagement in knowledge sharing
Author: Angel Cabrera, William C Collins and Jesus F Salgado
Journal: The International Journal of Human Resource Management
Year: 2006

♦ **Title:** How to develop knowledge culture in organizations? A multiple case study of large distributed organizations
Author: Stan Oliver and Kondal Reddy Kandadi
Journal: Journal of Knowledge Management
Year: 2006

♦ **Title:** Behavioral intention formation in knowledge sharing: Examining the roles of extrinsic motivators, social-psychological forces and organizational climate
Author: Gee-Woo Bock, Robert W Zmud, Young-Gul Kim and Jae-Nam Lee
Journal: MIS Quarterly
Year: 2005

♦ **Title:** Finders, keepers? Attracting, motivating and retaining knowledge workers
Author: Frank M Horwitz, Chan Teng Heng and Hesan Ahmed Quazi
Journal: Human Resource Management Journal
Year: 2003

♦ **Title:** Motivation, incentives and organizational culture
Author: Patricia Milne
Journal: Journal of Knowledge Management
Year: 2007

♦ **Title:** Fostering knowledge sharing through people management practices
Author: Elizabeth F. Cabrera and Angel Cabrera
Journal: The International Journal of Human Resource Management
Year: 2005

♦ **Title:** Managing human resource toward achieving knowledge management
Author: Salleh Yahya and Wee-Keat Goh
Journal: Journal of Knowledge Management
Year: 2002

2.4) Material processing and analysis

When the empirical material was generated we began to analyse all the included articles that we had selected. We red through every article several times, in order to completely grasp the essence of the articles. In the beginning we made an open coding of valuable information in all of the selected articles so that we could find related areas of interest in relation to recruitment and reward strategies. The related areas of concern that we found were then examined and later constituted our field of analysis. The themes that we considered as interesting were naturally related to our area of problem and consist of *recruitment strategies and reward systems.* The empirical material was then brought into evaluation according to our basic frame of references. We think it is important to emphasize that we are aware that our result is not a mirror of reality but an interpretation of different interpretations about the field of motivation in KIFs. To get a multiple angle of interpretation we have tried to always challenge our existing interpretation.

Our interpretations of the empirical material are in some sense affected by our former theoretical framework. We as individuals are also socially affected by our culture, intellectual socialization and our linguistic capabilities (Alvesson & Sköldberg, 1994:12). Since we are two persons who have written this thesis we believe that it has helped us to challenge our existing interpretations when we have discussed various aspects in our analysis. We have also previously touched upon the field of motivation in different ways which we think has benefited us in our challenges of each other's subjective interpretations.

2.5) Criticism of the sources and Delimitation

Our core concept of this essay is *motivation.* Therefore our collection of literature has broad and interdisciplinary approach that covers both well known motivational theories but also voices from the business world. One way to evaluate the sources authenticity is to critically question the primary and secondary sources that have been used and the writers approach to what has been reviewed. This critical evaluation does not necessarily mean that the sources have been rejected, it has more to do with judging the sources so that they are credible enough to confirm evidence, proportions and answer our problem (Reinecker & Stray-Jörgensen, 2004:143). It is therefore important to have in mind that empirical data never reflects the reality at a hundred percent, but shows the reality from an interpretation of the specific areas that the data provide for. However the final task within the field of research is always to

search for what is most likely and true (Öhlander, 1999:19-20). We believe that what is seen as true lies in the eye of the beholder and the interpretations of that same individual. We consider the articles chosen to be mostly reliable and likewise we judge our chosen printed sources as highly trustworthy. Some of the literature and theories we do consider as rather old but in these cases we believe that they are nevertheless today seen by researchers in the world of academia as highly relevant in their specific area of interest. We will also like to shed light on that we have been using quotations in order to clarify certain interesting parts of our analysis and we can ensure that those quotations have been taken from the right context. Further we would like to argue that through a mixture of theories from researchers and voices from the business life we hope to resist a one-sided perspective in our thesis.

Motivation is a large area to cover. What motivates someone is as mentioned before most personal and something mysterious. Therefore organizations can work with motivation in so many different ways. What we have chosen to look further into are the two different areas, *recruitment and reward systems* both relevant in any organization when motivating employees. We believe these two areas are of great importance for organizations when it comes to attract, retain, develop and for our primarily concern motivate knowledge workers.

3) The road to motivation

In this section we will present motivational theories under the headlines "Human needs", "Motivation and Hygiene" and "Expectancy theory". After that we will address theories about how to attract, retain, develop and motivate workers under the headline "Managerial tools for motivation of knowledge workers" which will also later set the structure for our analysis.

3.1) Human needs

Maslow's review of the human as a needy being has been the foundation for many different notable theories within the research field, *human motivation* (Wolvén, 2000:93). The theory of Maslow is mostly visualized in the form of a pyramid which originally, which also is the most famous, contained five different levels. Later the five levels expanded to eight levels, which is the version we are going to look further in to. Generally the needs are fulfilled in a bottom to top order, but this order can sometimes be changed dependent on the environment. Individuals own understanding of his/her reality is interdependent to which level that same individual is at for the moment (Maslow, 1987). Maslow's pyramid is part of what signifies *intrinsic motiation,* which describe the inner explanations and drive forces to why humans experience motivation (Rombach & Solli, 2002:33)
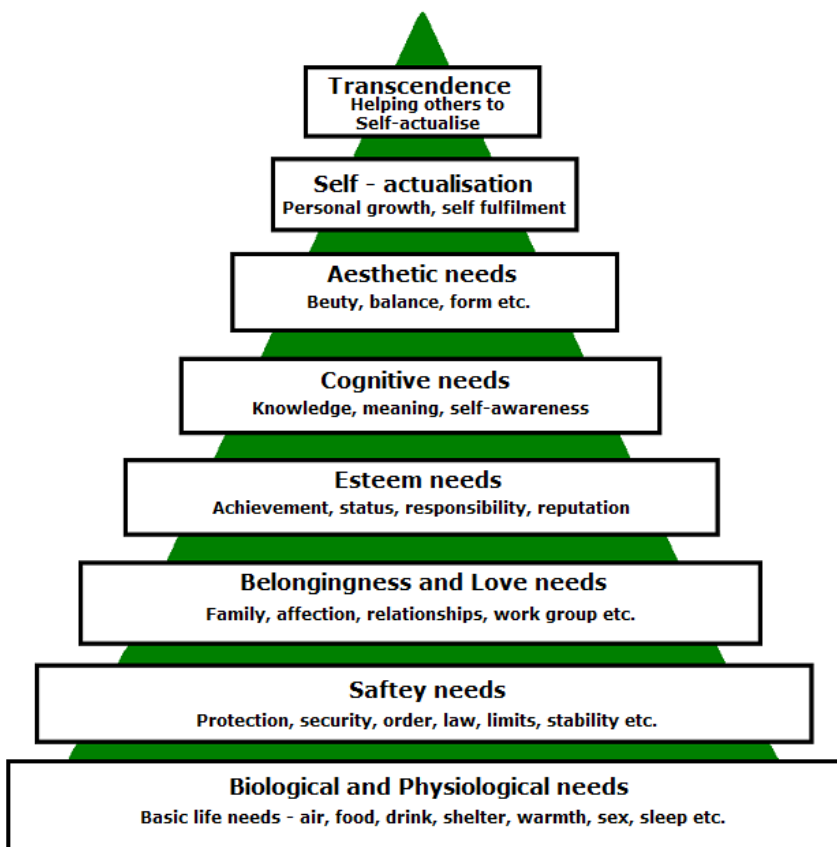
The bottom of the pyramid consists of *biological* and *physiological* needs which are the most primary of all needs, and vital for living. The second level contains the *security* which

involves terms like stability, safety and order in life. The third level of needs is referred to as *belongingness* and *love*. The fourth level which is *esteem* needs contains of achievement, status and approval. Maslow states that he means both self-approval and approval from fellow humans. The self-approval aspect is seen as strength because it is related to capability and self-esteem. The fifth level is *cognitive* needs which can be explained by a humans need of knowing and understanding what goes on in ones environment. The need of knowing comes before the need to understand. The sixth level is the *aesthetic* need and this is not so much elaborated by Maslow but is described in the way that humans are becoming ill by ugliness and it can only be cured through beautifulness. The seventh step, normally seen as the top of the pyramid contains *self-actualization* (Maslow, 1987) where self-fulfilment is central, but, many people never get to reach this level. The highest level and the latest one to be added to Maslow's hierarchy of need model is *transcendence* where the individuals not only become aware of their own fullest potential, but the fullest potential of human beings at large (Maslow, 1973:269-279).

The theory developed by Maslow has during the years received some criticism which is mostly based on Maslow's lack of empirical ground which verifies the hierarchism of the different needs. Maslow himself also argues that the different needs do not have to be fully realized in order to move upwards to a higher level. No matter how attractive this theory seems to be it has to be seen as a simplification of a more complex reality (Wolvén, 2000:93). Despite of this criticism we believe that the theory of Maslow has a great value to offer the notion of motivation

3.2) Motivation and Hygiene

The theory designed by Hertzberg presents the idea that humans have two set of needs. One of the human needs refers to *avoidance of pain* and the other one refers to the *psychological growth*. In order to develop his theory Hertzberg made an extensive study on two hundred engineers and accountants at Pittsburgh industry. During the research it appeared that the *dissatisfying* factors was environmental and served first and foremost to prevent job dissatisfaction and had rather little effect on positive job attitudes. These were called *hygiene factors*. The *satisfying* factors were named *motivators* since they seemed effective in motivating the individual to high performance and effort. Further the hygiene factors and the motivation factors served as two different need systems. The hygiene need system functioned

for avoidance of unpleasantness in the environment and the motivation need system functioned as *personal growth* and *self-actualisation*. In order to feel growth an individual has to reach achievements in tasks which have meaning for that individual. Because of that hygiene factors are not task related, they are in relation to motivating factors powerless in giving meaning for the individual. In opposite the motivator factors are task related and can achieve meaning and psychological stimulation according to the self-realization needs. Despite that, most people in the study related job satisfaction with task oriented motivators. There were individuals who reported that they felt job satisfaction only from hygiene factors of the job environment. These individuals where named *hygiene seekers* and were primarily attracted to things that were preventing dissatisfaction such as salary, supervision, working conditions, status, job security and fellow employees and were seen as being motivated in the direction of temporary satisfaction. He also argues the hygiene seekers will let the organization down when their talents are most needed. They are motivated only for a short time and only when they are rewarded externally. The individuals that instead are called *motivator seekers* are motivated by the nature of work, have higher tolerance for poor hygiene factors, have short length of satisfaction when the hygiene factors are improved, show capacity to enjoy their work and also get motivated by their own expertise and professionalism (Pugh, 1997:369-386).

3.3) Expectancy theory (Valence × Expectancy = Motivation)

The overall aim of reward systems is to make employees more motivated and energized to perform something extra in order to receive a coveted reward, and therefore we would like to take a look at the *expectancy theory* developed by Victor Vroom. The basic explanation of the expectancy theory is that people has to expect something that is seen as a desirable reward for work preformed in order to achieve high performance. In detail the theory can be described in three levels. To begin with, as mentioned above the *reward has to be something that the people highly values*. According to the expectancy theory the term valance refers to the strength of an individual's preference for a particular outcome (Jacobsen & Thorsvik, 2002:306-309). As an example we can state that students which are valuing high grades are easier to motivate than students which have not strong desires for high grades. The motivational effect depends thus on the student's degree of valance in association to high grades (Jacobsen & Thorsvik, 2002:306-309).

Secondly a person needs to believe that there is a *connection between the effort and the achievement of a result* that will lead to the desired reward. This is what is called expectancy. If the individuals do not believe that they has the ability, time or resources to achieve the expected outcome in order to obtain the reward then the individuals has a hard time to be motivated. It is argued that many people are motivated to perform something extra but it is not everyone who has the presumption to reach the desired result (Jacobsen & Thorsvik, 2002:306-309).

Thirdly a person has to believe that *reaching a certain result will lead to the desired reward*. To further describe this we can use bonus systems as an example. The purpose of bonus system is that employees who work hard enough will get a bonus. But if this bonus is randomly distributed among the workforce then there is no clear connection between performance and bonus reward. So if the management wants to enhance the performance of their employees they have to show a clear and distinctive relation between result with high valance and high performance (Jacobsen & Thorsvik, 2002:306-309).

3.4) Managerial tools for motivation of knowledge workers

It is often argued that the employees are the most important asset, especially in KIFs. What would happen if a group of employees left their company and took the clients and knowledge with them? It is then obvious that the most crucial task for managers is to recruit, develop, retain and motivate their knowledge workers. In order to create good working possibilities for knowledge workers the strategy that is used is often quite extensive. This means that a lot of resources are used to recruit, select and reward with wages, interesting tasks and career prospects. Management time and skills and the limitation of resources often mean that there has to be some choice of priority between different strategies. (Alvesson, 2004:138-142). We will below give account for two different tools that are at hand when trying to motivate knowledge workers. Recruitment strategies are important when knowledge intensive firms are trying to attract the best employees and reward systems are important to consider when making employees aware of what the organization are valuing.

3.4.1) Recruitment

Recruitment is the starting point of all actions that will be carried out within an organization. The process of selecting future employees is one of the most important decisions for example a manager has to make. Hiring the wrong employees can lead to higher turnover, dissatisfaction and low morale and these employees will be hard to motivate. In opposite hiring the right employees will lead to an overall positive impact on the organization. It is argued that recruiting the right employees is important if trying to establish long-term effectiveness in building a motivated and productive workforce (Grensing-Pophal, 2004:41-42). *Recruitment* is necessary to enable continues innovation, and designates the process that takes place when a system gets new members. Not all organizations manage a planed and aware recruitment politic, and for a lot of organizations it is enough to recruit "ordinary and good people" (Flaa et al, 1998:55-57) But recruitment should not be taken facilely and is one of the corner stones within HRM (Lindmark & Önnevik, 2007:29, Salaman et al, 2005:21). Recruitment is an important link when it comes to decision and goal realisation, since it can make sure that the member's values and actions are appropriate for the organization. It can be special knowledge and skills that the organization is looking for, that are more or less necessary for business operation (Flaa et al 1998:57-59). In addition it has been an increased view among managers that it is not only competency that is vital but attitude, personality and the ability to fit in with the existing workgroup (Grensing-Pophal, 2004:43).

In KIFs recruitment is highly important. The *human capital* is vital for KIFs which makes for example recruiting a crucial issue when it comes to finding the best qualified workers possible. The best organization is the one able to employ the best workers (Alvesson, 2004:138-139).

3.4.2) Reward systems

In most organizations, especially in KIFs, around the world it is the human being who is the most essential of all resources. Organizations must adapt their structure, reward system and physical arrangement to the people in the organization in order for them to produce (Jacobsen & Thorsvik, 2002:290). A system for reward and punishment is one way to try and enhance the performance of the employees. *Good performance can be described as employees who are fulfilling their role within the organization and solve problems in such way that pleases the organization.* When good performances are accomplished rewards will be given but in the

other way around rewards will be limited. Such incitement systems can be seen as terms of trade between the organization and its employees. It is of importance that it will pay off to behave in a certain way within the organization. Incitement systems can be shaped in different ways dependent on which effect the organization wants to achieve (Jacobsen & Thorsvik, 2002:302-310).

The first question which needs to be answered is *who is going to be rewarded*? When answering this question it is appropriate to start with distinguishing between *individual rewards, group rewards* and *system rewards*. *Individual rewards* have the purpose of making individuals perform something extra. There is a risk that this kind of reward system can have undesired effects if the rewards are limited and the employees' starts to compete with each other. The competition can off course also be something positive for effectiveness, but it can also restrict the level of collaboration. *Group rewards* means that a group of employees receives rewards for corporate behaviour. The purpose here is to encourage collaboration. The negative aspect of group rewards is ones again that it can develop competition between different groups or units within the organization. In order to avoid the internal competition the use of *system rewards* are presented. In this system all organizational members are being rewarded. The reward can for example be that everyone has the same opportunity to buy stock shares in the organization. This kind of system rewards has limited motivational effect on individual and group level. The overall purpose of system reward is that everybody is seen as parts of a united whole which can have positive symbolic and cultural effects on the organization (Jacobsen & Thorsvik, 2002:302-310).

The second question which is of importance is *what kind of reward should be given*? Here it is common to distinguish between *intrinsic* and *extrinsic* rewards. Intrinsic rewards are those kinds of rewards that bring to you an *inner satisfaction*. Examples of such rewards can be appreciation and recognition. Extrinsic rewards are on the other hand rewards that have *physical substance*, examples of such rewards are money, cars etc. In general many different rewards have both an extrinsic and intrinsic side. Promotion is a common reward within organization and it is argued that this reward has both intrinsic and extrinsic motivational effects. When you are getting a promotion your status becomes higher and this is an intrinsic motivator but you also probably will be getting a higher wage, which is an extrinsic motivator (Jacobsen & Thorsvik, 2002:302-310).

The third and last question that is important considering reward systems is *what will be rewarded*? This last dimension aims at which criteria the organization is using in order to dispense incitements. Rewards can be given if the *behaviour of the employees correlates* with the rules and the overall organizational values. Another decisive factor for rewarding employees can be *related to the results* of the accomplished work. In present time many organizations are using a combination of the two mentioned above. The combined system is used because rewarding only behaviour is seen as having limited motivational effect but in combination with result based rewards it has best effect on organizational motivation. The combination then contains of one stipend for a sense of security and one result based reward for extra motivation (Jacobsen & Thorsvik, 2002:302-310).

4) Motivating knowledge sharing and creation, a forever ongoing challenge

In this section of our thesis we will present our analysis and reflection upon the two motivational tools of recruitment strategies and reward systems. The complexity of motivation within KIFs has shown new results that became evident during our analysis. The headlines will therefore constitute out of "Recruitment – matchmaking for long lasting relationships", "Reward systems – fuel to the fire" and "Culture – a key to the mystery of motivation".

4.1) Recruitment – matchmaking for long lasting relationships

Here we are, at the end of our semester writing our thesis while also looking for jobs. We are highly educated and we are intrinsically motivated to go out there and show the world what we can do. We are on our way up the steps of Maslow's pyramid, and if we find a job that we want really badly and an organization that believe in us and recruit us then we would be motivated just for the sake of getting acknowledgement and approval (Maslow, 1987; Maslow, 1973) According to the survey done by Nova100 where respondents also are in the positions of looking for future employers, the top four company's they wanted to work for were pure KIFs, and the remaining sixteen organizations on the list were also pure or partly KIFs. We don't se this as coincidence since workers have become more demanding and are continuously looking for challenges (Grensing-Pophal, 2004:24-26). The status of the profession knowledge worker is relatively high and KIFs often supply all of their demands and are therefore attractive employers.

> …were asked to select (…) which they considered most important when
> selecting an employer (…) they ranked the ability of an employer to offer
> interesting work ahead of all other factors… (Haesli & Boxall, 2005:1963)

This was also the main reasons when selecting a future employer according to Nova100's survey (exhibit 1), where *development opportunities* and *challenging tasks* were way ahead other reasons such as *salary* and *corporate culture and values*. Considering that a highly educated, knowledgeable and coveted future employee to a high extent has the power and the possibility to choose where he or she want to work, organizations need to be able to meet their demands to attract but also later keep workers in the organization. Since future employees

already in themselves are *intrinsically motivated* to continue to *develop* they are considered very attractive and most important for a KIF.

> Building a highly self-efficacious staff begins by recruiting and selecting employees that are proactive, have high cognitive aptitude, have a high self-esteem and are intrinsically motivated. (Cabrera et al, 2006:259)

Of course all organizations have different demands when recruiting employees. There is no "one person fits all" but there are some specific attributes that are interesting for all KIFs. In a non KIF, for example in a factory where workers are putting two pieces together, the ability to do a good job is not solely dependent on whether they like their profession or not. They might like their co-workers and they get a bonus if they work fast since measurements are *quantitative* which means that they are extrinsically motivated in their job performance. In KIFs on the other hand *intrinsically motivated* workers are most important since these organizations continually need to develop their *qualitative* knowledge. Knowledge workers need to be flexible and be able to be independent in their work, and thereby motivation can not be achieved through "pushing from behind while at the same time dangling a carrot in front" (Boëthius & Ehdin, 2006) According to Herzberg (Pugh, 1997:369-386) we can call these intrinsically motivated employees *motivation seekers* for whom *personal growth* and *self-actualisation* are most important. These individuals are the ones that KIFs are fighting for.

> Knowledge intensive firms (…) this organizational form may require work to be done relatively independently, with flexible work arrangements. It needs occupationally specialised workers, who may be rather itinerant or nomadic and requires a shared information/knowledge culture. It also requires adaptable employees with high technological literacy who are continuous learners. Knowledge creation and diffusion become essential core competencies, although knowledge workers may have stronger occupational than organizational identification (Horwitz et al, 2003: 27).

When we think about knowledge workers we think *stereotypes,* for example we see consultants as the men and women running around in suits and with briefcases. They are always on the run and they hold their head up high, and it does not matter were we are in the world, they all look the same. This might have to do with the facts that knowledge workers

identify themselves with their profession (Alvesson, 2004:143-146) to such a high extent, that it is just not visible on the inside but also on the outside. As formerly mentioned, KIFs are fighting for high-quality workers with a specific kind of touch and the competition for them is hard. But the fact that workers have stronger occupational than organizational identification is a problem that organizations have to realize. We earlier wrote about how workers today are more loyal to themselves than they are to the company. They are most concerned about meeting their own needs which is evident within KIFs (Grensing-Pophal, 2004:24-26). The turnover rate is higher among knowledge workers than non-knowledge workers, which brings difficulties and high costs to the business (Horwitz et al, 2003: 25, 34; Alvesson, 2004:138,141). We believe that this has more to do with the kind of individuals' knowledge workers are, challenge seekers, rather than that they don't like their job. This means that KIFs face a high challenge when it comes to creating loyalty and keeping their employees through motivating them both *intrinsically* and *extrinsically* on their path towards *self-actualization*, which is the second highest level in Maslow's pyramid. According to the survey made by Nova100 the respondents said that they see themselves stay with their first employee for about one to three years (exhibit 2). We believe that the reasons for these answers are that newly examinees to a large extent do not believe that their first job will be their dream job. So instead they apply for a job they know that they can get, where they can develop, and then after a few years be able to apply for that job they always wanted. Either way if KIFs were to acknowledge this behaviour among newly examinees they have a chance to recruit knowledge workers, who may very well be a future success factor. These knowledge workers are at an early stage of their way up Maslow's hierarchy and if KIFs supply them with the development they are looking for they may give the knowledge worker an incentive to stay longer in the organization. One example to achieve this is to offer trainee programs which are more and more common when organisations are trying to capture good future employees. It is harder to recruit and re-educate individuals that already have been employed and have experiences from another culture with different values and norms (Flaa et al, 1998:63-65). So by introducing knowledge worker in this early manor, knowledgeable and highly educated individuals enter the organization and can become a part their existing culture. Also, by recruiting employees at an early stage of their career, KIFs at the same time have the chance to develop *loyalty* and *identification* among new recruits, which are both two important aspects in motivation and retention of knowledge workers (Horwitz et al, 2003: 26).

> In terms of motivation strategies which may reduce knowledge worker turnover,
> it appears that non-financial strategies may have had a relationship with lower
> turnover (Horwitz et al, 2003: 34)

So this once again means that the motivation of a knowledge worker has to do with *intrinsic* motivation rather than *extrinsic*. Non-financial rewards can naturally also be related to for example motivation through acknowledgement and appreciation from management, but in the long run that is not lasting for quality (Grensing-Pophal, 2004:21-22). This means that motivation needs to come from somewhere different to be able to produce a knowledge sharing and creating organization. We believe that motivation comes from within the employees themselves. It is up to the organizations to supply the workers with the tools they need to continue to develop and meet new demanding challenges. A challenging work environment is highly effective for motivation (Horwitz et al, 2003: 33) and knowledge and competence are identified as the essential resources of knowledge economy (Hafeez & Abdelmeguid, 2003:155; Horwitz et al, 2003: 25). Therefore the challenge to motivated employees is most essential for organizational survival.

> Seeking recruits who fit an organizational culture may be more appropriate for
> attraction strategies, but on its own does not appear to be an effective motivator
> (Horwitz et al, 2003: 33).

A cultural fit between the organization and the future employee is very important when recruiting to KIFs (Horwitz et al, 2003: 34). The process of recruitment is important to create a *knowledge culture* where sharing and developing knowledge is essential (Oliver & Kandadi, 2006:19). And therefore organizations are fostering knowledge sharing through recruiting individuals who share similar values and beliefs as the organization (Cabrera & Cabrera, 2005:726). All articles touching upon the subject *recruitment* said that a *cultural fit* is the most essential when adding to the number of employees. We do agree that a cultural fit is most important when recruiting into KIFs, but we do not agree that recruitment touching upon culture can not be used as an effective motivator since a well planed and carried out recruitment touch upon many different levels in Maslow's pyramid such as *belongingness, esteem* and *cognitive needs*. We believe that a recruitment process can establish a sense of belongingness which will increase the level of motivation of new recruits. We also believe that new employees will have an increased self-esteem because they have been chosen among others when receiving a new job and this can also have motivational effects. The cognitive

needs refers to that new recruits may understand things differently and this we believe can have motivational effects on both the organization and the employees.

> …from an HR perspective, the high emphasis on recruitment did bring 'new blood' into the organization: a constant stream of new employees with diverse and fresh skills did arrive. There is no doubt this can stimulate different perspectives and fresh thinking… (Haesli & Boxall, 2005:1971)

Recruitment is not just necessarily motivating for newly employed but also for workers already present within the organization. An organization must be capable of recruiting and retaining the necessary human capital, a pool of employees whose knowledge and skills are valuable and rare to (Haesli & Boxall, 2005:1956). This means that recruitment, one of HRM's corner stones, needs to be fully developed within a KIF. When a new employee arrives to the organization with a new set of ideas and knowledge it can open up for mutual knowledge sharing and creation, when adding to the existing culture. But as we consider recruitment it is not just a set of interviews that is over in a couple of days. There is a socialization process that takes part in the beginning of the employment which is very important (Flaa et al, 1998:56-60).

> Formalized orientation and socialization programmes are very useful for helping employees to acquire organizational values, norms and shared cognitive schemata. These programmes will not only increase interactions among employees, but will result in a shared language, closer interpersonal ties, shared norms and identification with others. The trust that results from the relational social capital formed during socialization processes is necessary for the reciprocity beliefs that positively affect knowledge sharing. (Cabrera & Cabrera, 2005:727)

The whole process of recruitment and socialization is important when finding the right members who will join the organizational work towards success. This is where the opportunity reveilles itself to meet one another and find answer to if the employee and the employer are right for each other, but also have the same goals in order to work towards the same direction (Anthony & Govindarajan, 2007:513). A universal recruitment model does not exist in the business world, instead what we mean is that organizations should take

recruitment seriously and be aware that recruitment does not just have the possibility to affect motivation for the one being employed, but also the ones already within the system.

We have just established that recruitment can be used as a tool for motivating employees, but we do not believe that a good recruitment is the key to long lasting motivation. Just like when watching a movie the beginning has to be interesting so that you will continue to watch, but that does also mean that you get high expectations for the middle. And if it is a really good film you wish for that movie never to end. However to create an Oscar-winning movie it needs that extra touch and fineness all trough, and the same requires when creating that successful motivated organization. When an organization has succeeds to recruit a good knowledge worker the focus must shift towards *keeping* that employee. The intrinsically motivated worker continuously needs to get new challenges and continuing to develop. As written earlier knowledge workers are not willing to stay in an organization if they are not getting a promotion or increased salary within a few years (Grensing-Pophal, 2004:24-26). This means that knowledge workers are demanding in other areas as well, which leads us into our second part of our analysis which is *reward systems*.

4.2) Reward systems – fuel to the fire

In relation to recruitment strategy it is of importance to develop a strong reward system that enables the knowledge intensive firm to attract and retain employees. When attracting new recruits a *well developed reward system* is one way making them feel interested in what the organization has to offer. The competition among organizations for best employees is hard and knowledge workers are expecting to get rewarded (Alvesson, 2004:18). Reward systems are also used to motivate employees to *perform their tasks better* and also motivate them to *improve their skills* (Lindmark & Önnevik, 2006:152). But the voices and point of views are separated when answering the question, *does rewards motivate?* We will in this section look further into this very important question in relation to KIFs.

Generally it is argued that there are problems in determining the economic value of knowledge activities of individual employees. This difficulty makes it problematic to provide knowledge workers with applicable incentives. Qualitative evaluation of employee's knowledge activities is needed while providing rewards in order to *secure that quantity is not prioritized over quality*. Evaluation is often a task for proximately managers (Oliver &

Kandadi, 2006:14-15) but some organizations may evaluate their employees through for example colleges or even customers. We believe that development of *appraisal systems* for rewarding knowledge workers has not, in many cases, yet reached its intent in an appropriate way. Evaluation from managers and others is subjective and there is a chance that judgement is biased on personal feelings rather than on strictly knowledge importance and value. The field of appraisal system is a very complicated issue of its own and organizations need to develop their evaluation so that the right employees will be rewarded, and for the right reason. We are now going to look further into three different aspects that constitute reward system: *who will be rewarded, which kind of rewards should be given* and *what should be rewarded?*

4.2.1) Who should be rewarded?

> Instead of treating the new pay ideas as best practice, it is important for organizations to first ensure whether they fit their current structure and culture
>
> (Thite, 2004: 38)

Just as recruitment systems need to be custom made for each organization so must reward systems. So even if there is an existing and successful system out there it does not mean that it is applicable in all organizations. Questions such as if different organizations should reward individuals, groups or maybe the entire organization depends on their strategy and what kind of behaviour they are looking for, as they seek goal congruence (Anthony & Govindarajan, 2007:513). Regardless who ever the organizations decide to reward, there are always consequences.

When we are considering new knowledge workers who are more loyal to them selves and also want to see results of their effort as soon as possible (Grensing-Pophal, 2004:24-26) it is easy to say that KIFs should reward their employees *individually*, but it is anything but easy. A lot of KIFs actually do reward individually (Yahya & Goh, 2002:466) and that sounds logical since work to be done can be relatively independent at KIFs (Horwitz et al, 2003: 27). Being rewarded individually can be seen as a kind of feed-back where the one being rewarded becomes aware of that they have accomplished a task well, and since feedback is seen as highly motivating there might be a strong connection between motivation and rewards, especially *intrinsic nonmonetary rewards* (Anthony & Govindarajan, 2007:514). The knowledge worker has a lot of knowledge that the organization wants that employee to share with the rest of the organization, to minimize the risk that knowledge will not be lost.

Individual rewards may make this knowledge sharing and creation difficult. Individual rewards may, as earlier said, create competitiveness between co-workers (Jacobsen & Thorsvik, 2002:303-304) and knowledge sharing may then not come naturally or even willingly. We also see the possibility that since contemporary worker is, as previously said, more loyal to them selves they care less of the performance of others and the organization as a whole.

> To transform into a knowledge organization, the company must establish a different form of compensation system. The pay and incentive system should (…) stress on group-based compensation and reward to stimulate knowledge exchange and sharing within group members (Yahya & Goh, 2002:466)

In relation to what Jacobsen and Thorsvik (2002: 303-304) said about competitiveness between co-workers, the way to go for KIFs may be rewarding based on group result rather than individually. We believe that it is very important in KIFs to decrease level of competition between individual knowledge workers to be able to reach that level of knowledge sharing and creation that they are striving for. KIFs has to develop an environment and culture were all the knowledge workers are collectively striving for common goals, and these goals can only be accomplished through interaction, sharing and creation, in relation to the knowledge of every individual in the organization. Rewarding collectively might not be the solution to a knowledge sharing environment, but it does support the efforts it takes to get there.

When consider rewarding the entire organization for performance we do not see this as motivational for the individual knowledge worker. Demanding workers of today want close result to their effort and if they are lacking the possibility to improve their working conditions and their benefits they most certainly will be searching for another job (Grensing-Pophal, 2004:24-26). This does not mean that rewarding the entire organization needs to be excluded, since it does bring collective thinking into the picture, prohibit competitive thinking and have a symbolic and cultural effect. However this kind of reward alone has limited amount of motivational effect (Jacobsen & Thorsvik, 2002: 303-304) and therefore we do not believe in this kind of reward system when the goal is to motivate knowledge sharing and creation.

4.2.2) Which kind of rewards should be given?

If you ask people what kind of reward is most common in organizations, the majority would probably answer salary and money, in other words *monetary rewards*. The answer is natural since money and work are strongly associated with each other (Lindmark & Önnevik, 2006:157). But rewards can be so much more than just monetary.

> It is hypothesized that when individuals perceive a link between knowledge sharing behaviours (both seeking and providing) and organizational rewards (e.g. career advancement, international visibility and interesting projects or activity assignments), they will be more inclined to participate in knowledge sharing activities… (Cabrera et al, 2006:251)

So rewards can also be *nonmonetary*, and related to what knowledge workers are *striving for*, for example interesting projects or a promotion, which then makes the connection between knowledge sharing and rewards more *intrinsically* motivating. Nonmonetary rewards can also consist of for example cars and computers, but these would then be classified as *extrinsic* (Lindmark & Önnevik, 2006:159). There is a general argumentation among researchers that the type of reward given and performance based on knowledge sharing are interrelated to each other (Horwitz et al, 2003:28). And if the reward is something that the worker *highly values* it will have the power according to *expectancy theory* to affect the motivation of sharing and developing knowledge (Jacobsen & Thorsvik, 2002:306-309). On the other hand if the reward has no meaning to the individual, no employee will pay attention to it (Witt, 2005:21) which then makes it harder to motivate entire organizations that of course exist of many different individuals with endless wishes. According to the majority of the gathered articles it became evident that *intrinsic rewards*, which we will soon look into, such as appreciation and recognition and challenging tasks played a more significant motivational role than for example financial, monetary incentives when it comes to knowledge sharing and creation (Cabrera & Cabrera, 2005:732; Oliver & Kandadi, 2006:15; Bock et al, 2005:101; Horwitz et al, 2003:33). This might have to do with the fact that knowledge workers are already paid more than average (Alvesson, 2004:18) and financial rewards such as money according to Herzberg is a *hygiene factor* first and foremost serves to prevent job dissatisfaction and are therefore short-lived (Pugh, 1997:381, 384). Further we agree that a highly competitive monetary reward is more effective for recruiting and retaining employees than motivating them to superior performance (Horwitz et al, 2003:34).

…In addition, it is hypothesized that when individuals believe that there is a link between knowledge sharing behaviours and intrinsic rewards (e.g. reaching one's full personal or professional potential, feelings of pride when others use one's ideas, and feelings of accomplishment when learning from others), they will also be more inclined to participate in knowledge sharing activities (Cabrera et al, 2006:251).

Interestingly there is a rather general opinion among knowledge workers that apart from any organizational rewards, instead *personal forces* like willingness to learn, personal contentment, peer recognition, and self-actualization are the driving forces that motivate knowledge workers to create and share knowledge (Oliver & Kandadi, 2006:14-15). These *intrinsic* rewards are motivating for the reason that they are in line with the individual's own goals, and therefore more attractive, and may at the same time be affected by motivation attributes such as *belongingness*, *esteem, self-actualization or transcendence* needs. According to the top of the hierarchy presented by Maslow, individuals who are very talented and psychical mature are often feeling a certain attraction to the unknown, unorganized and inexplicable (Rubenowitz, 2004:61), for example non tangible measurements as self-actualization. Since knowledge workers fits in to this category of individuals and are constantly looking for challenges and wants to develop, a reward that is in line with these wishes would be seen as most motivational (Jacobsen & Thorsvik, 2002:306-309).

Contrary to commonly accepted practices associated with knowledge management initiatives, a felt need for extrinsic rewards may very well hinder – rather than promote – the development of favourable attitudes toward knowledge sharing (Bock et al 2005:98-99)

There may be some danger in using financial rewards to encourage knowledge sharing as well. Financial rewards may be perceived as controlling and, in some cases, have been shown to diminish creativity. It is well known that offering extrinsic rewards for a certain behaviour tends to decrease the perceived intrinsic value of the behaviour (Cabrera & Cabrera, 2005: 728)

If knowledge workers, for example consultants, love their job and they are constantly sharing and creating knowledge when working with their colleagues. They feel that they are high up on Maslow's hierarchy of needs and they are all doing a very good job. One day management

let the workers know that ten cars will be given out to workers who are a part of most projects at the firm. Suddenly the focus shifts away from what they like to do, towards pressure, competition and being part of projects rather than sharing knowledge. This might be an unrealistic example, but the content is clear. There are some writers who argue that incentive programs do not increase the level of productivity and performance. They are often basing their opinion on the argument that when employers offer rewards for performance employees will do the job because of external rewards instead of intrinsic reasons. The effect of this is then seen as feeling of self-determination, and motivation will decrease. This is a view that recently has gained strong popularity (Milne, 2007) and may change the way organizations reward their employees.

> It seems that many firms are only beginning to discover that financial incentives
> are not a panacea for motivational problems, although the persistence with these
> forms of pay is surprising (Horwitz et al, 2003:33).

It is essential to distinguish between intrinsic and extrinsic rewards (Oliver & Kandadi, 2006:14-15) but that does not mean that one exclude the other. A reward can as previously said, both be external and internal at the same time. For example a promotion can intrinsically motivate the individuals through heightened *esteem needs*. And in intrinsically motivated behavior there is no reward except of the task it self (Milne, 2007: 29) which means that the feeling of getting promoted, "I made it" is a reward in it self. But besides this kind of reward the salary increases with the promotion and therefore is an extrinsic reward.

> If competencies are the wheels for managing knowledge work, rewards (both
> extrinsic and intrinsic) are the engine (…) some studies also point out that
> rewards are no more than a trigger or a facilitating condition of an individual's
> attitude to knowledge sharing and what is more important is enhancing the
> positive mood state for social associations through feedback, social support and
> providing room for self determination (Thite, 2004: 38)

As previously said the points of views regarding if rewards motivate are separated, but that may be because there is no right answer to that question, since it is highly individual. Motivation can be both big things but it can also be small things that make you thrilled and enthusiastic about your work. It is also argued that different employees are motivated by different things. Some employees are being motivated by the challenge of for example

receiving a new assignment, some are motivated just by getting recognition being told that they are doing a good job and others are being motivated by various forms of monetary rewards (Grensing-Pophal, 2004:4-6). There is no "one right way" to go when it comes to rewarding employees, but there are wrong ones. Just as rewarding the wrong employee can go against *cultural goals*, giving the wrong reward can do the same. There are so many different rewards that can be given, for example a Christmas bonus, extra vacation, a management course, stocks or even a computer. The list can be made extremely long, but what is most important is how it connects with desired organizational goals and employees demands and internal goals. Just looking at Nova100's survey we can se that the most desired benefits (exhibit 3) are *leadership education* and *professional coaching*. In these cases they are classified as benefits, but in some organizations they can be rewards. The most important is not the classification, but that knowledge workers are continuously on their way towards new knowledge and organizations need to find a reward system that can motivate knowledge sharing and creation in the long run and not just for surviving one day at the time.

4.2.3) What should be rewarded?

The last aspect to consider when developing a reward system is *what should be rewarded.* Organizations need to be careful in what they reward, they can never loose sight of the fact that rewards drives behavior (Witt, 2005:22) and also avoid "rewarding A while hoping for B" (Anthony & Govindarajan, 2007:513; Milne, 2007:35). All KIFs have at least one thing in common and that's the *goal of sharing and creating knowledge* within the organization for both short and, most important, long term success.

> …compensation systems must be designed to encourage knowledge-sharing behaviours. Rewarding and recognizing these behaviours sends a strong signal to the employees that the organization values knowledge sharing (Cabrera & Cabrera, 2005:727).

Every organization has their key performance indicator which is crucial when determining what will be rewarded (Jäghult, 2005:32). Therefore it is important not to encourage activities by rewarding behaviour that may lead to contradiction of the organizational goal. Knowledge sharing and creation behaviours are what should be rewarded, but as said earlier these kinds of *qualitative* measurements are hard to realize. Rewarding *behavioural results* are often seen as so difficult to measure that organizations decides to use an easier measurement tool that

focus on *who* the employee is according to criteria's such as education and position, and not *what* the employee does or what kind of result being made (Jacobsen & Thorsvik, 2002:306). This of course is not beneficial for *desired behaviour*, but if rewards become more fair in this way rewards can be chosen so that they will prevent undesired behaviour rather than motivating the desired behaviour (Lindblom 1996:33-40).

> In response to the limitation reward framework with an administrative focus, the new pay system exhibit a strategic focus in that they highlight the person (instead of a job), output or behaviour/competencies (instead of time) and are more inclusive, dynamic and decentralised (Thite, 2004: 39)

Even though it is hard to measure individuals and their behaviour, the trend is pointing in the direction of more effort in to rewarding the right thing. When talking about revenue management in the hotel business, the focus lies in selling the right room, to the right person, at the right time and to the right price. And when talking about effective knowledge management we talk about the right ideas, at the right time with the right people (Bailey & Clarke 2001: 61). Both management ideas are good for short and long time success and we would like to argue that rewards should be treated the same, *the right reward, to the right person, for the right reason but also at the right time* to also reach success both for the individual and for the organization.

> …there is a general belief that it is what you share about what you know and not what you know that gives you power (Cabrera & Cabrera, 2005:727).

Rewarding and recognizing this behaviour sends strong signals that the organization values knowledge sharing and creation behaviour. In this way knowledge workers understand that *sharing what they know* by educating fellow employees is the only way of becoming rewarded (Cabrera & Cabrera, 2005:727). This behaviour can be related to what Maslow is referring to as *transcendence* were people do not only value the inherent knowledge of themselves but also make others take part of that same knowledge (Maslow, 1973: 269-279). In this area of motivation we would like to argue that sharing of knowledge has many motivational effects. For example one motivational effect is of combined *extrinsic* and *intrinsic* character, that if the employees are sharing their knowledge they get a better reputation and can advance in their carrier success. Another motivational effect is that people are feeling motivated just by the fact of sharing knowledge with colleagues. Making

colleagues more knowledgeable and successful and knowing that "I am a contributing factor" of that persons success may be an *intrinsic* motivation. But sharing knowledge among employees also means that, the individual giving, is also receiving new knowledge and that is *intrinsically* motivating on its own.

> If the company has already achieved a quality standard, then knowledge creation
> could be achieved through promoting employee creativity and excellence (Yahya
> & Goh, 2002:463-464).

Further *creativity* is the source of innovation in handling of daily activities, and this behaviour is also valued and rewarded in KIFs (Yahya & Goh, 2002:463-464). But adding to the difficulties we believe that it is much harder to enhance, encourage and motivate creativity with any kind of reward and especially even harder to measure. Creativity is something that is embedded in every individual and good management can create the possibilities for creativity to flourish but that has nothing to do with the quality of the ideas (Rubenowitz, 2004:144-147).

When creating the appropriate reward system for motivation in KIFs there is always an ongoing struggle regarding *extrinsic* and *intrinsic* motivation. In relation to the three different components we believe that extrinsic rewards do not make people as interested and motivated in work-related tasks as intrinsic rewards can do. We would like to argue that if knowledge workers receive a task that does not feel pleasurable for them when using their creativity in order to solve that task, they will not feel more enthusiastic about that same task if receiving *extrinsic rewards*. However by *intrinsic rewards* this feeling of enthusiasm can be created and the knowledge worker will improve the effort of solving ambiguous and complex tasks in an appropriate way according to the values of the organization. Maslow (1968:221-222) argues that the higher nature of humans, which also is higher up in the pyramid, includes the need for meaningful work, responsibility, for creativeness, being fair, preferring to do well and doing what is meaningful. But let's be really honest, we believe that *everyone has a price* that make their heart rays a bit faster. The problem is that organizations may have the possibility to satisfy everyone's need but not everyone's greed. And according to Maslow money can gratify the lower needs, but as soon as they are fulfilled then people are only motivated by higher kinds of reward such as belongingness, dignity, respect, affection and appreciation (Maslow, 1968:221-222).

Reward system has to be designed so that it encourages the most essential factor for success in the organization (Jacobsen & Thorsvik 2002:302-310) where *behaviour* of knowledge workers is the most valuable advantage in order for sharing and creation of knowledge to work smoothly. If KIFs are striving for a common behaviour among their employees and succeed, they will get a united workforce were every employee is well prepared about how to give meaning, interact and collaborate with their fellow employees in an effective way. It is by some researchers argued that organizational rewards do motivate knowledge sharing, and we do agree to some extent. We believe that rewards are important for the basics of motivation, no one works for free, but most important we believe that rewards will function as a facilitator in order to develop a strong *knowledge culture*. The employed might get fuel on an already burning fire when being rewarded, but in the long run what determents how long and how hard that fire will burn is the content of the individual. Therefore the reason for a motivated and united workforce depends on whether organizations can create an environment where that fire can burn freely and not be suffocated. Our purpose of searching for how the visible motivational tools of recruitment strategies and reward systems contributed to sharing and creation of knowledge gave us this unavoidable turn. It appeared that what ever interpretation we made of recruitment and reward strategies in KIFs both were interconnected with the phenomenon of culture, which we will therefore explore additional to understand what really motivates knowledge workers.

4.3) Culture – a key to the mystery of motivation

In today's organizations, using culture as a strategy to develop and create competitive advantages and success is something that is very modern. Broadly it is argued that *organizational culture is a set of shared norms, values and assumptions of the joint reality which is developed within an organization when organizational members are interacting with each other and with the surrounding environment* (Bang, 1999:24; Alvesson & Sveningsson, 2008:36).). It is important to emphasize that culture refers to mental phenomena such as how people in a certain group are thinking about and valuing different situations and activities in comparable ways and not strictly to behaviour. This means that culture is referring to what stand behind and guides certain behaviour and not the behaviour as such (Alvesson & Sveningsson, 2008:36). But what makes culture harder to manage and control then for example previous clear tools is because it is *intangible* and imbue everything in the organization (Bang, 1999:15-17, 21-24). It is argued that organizational culture plays a major

role for *creation, sharing* and *use of knowledge* (Cabrera & Cabrera, 2005:728; Bock et al, 2005:93; Milne, 2007:28-29; Yahya & Goh, 2002:462) and therefore it is important for KIFs to have a culture that support that kind of behaviour. In this section of our analysis we will look further into *different culture phenomenon* which we believe are the *key factors for motivating knowledge sharing and creating behaviour*. The knowledge culture that KIFs should strive for can be defined as *a way of organizational life that enables and motivates people to create, share and utilize knowledge for the benefit and enduring success of the organization* (Oliver & Kandadi, 2006:6).

After looking deeper into KIFs and how they use the two visible tools they have to work with, *recruitment* and *rewards,* in order to motivate their employees we came to the insight that this must be one of the hardest businesses to motivate *extrinsically*, but also one of the most easiest to motivate *intrinsically*. By this we mean that knowledge workers are not motivated, to share and create knowledge by management tools to that extent that management would like them to be. On the other hand KIFs have employees that are motivated on their own, and want to do a good job and evolve, if not for the sake of the organization at least for them selves. Hence management needs instead of trying to motivate their employees, create the possibilities for them to continue to grow based on their own requirements. This does not mean that KIFs create results by chance, but instead through a very organized chaos. There is no possibility to have knowledge workers in a leash and expect them to be motivated, they need to be free (Horwitz et al, 2003:33). Further they know the rules and they deliver results because that is what will make them continue to climb both in their profession but also intrinsically according to Maslow's pyramid. Instead we believe that what makes knowledge workers share and create knowledge is their own will to do so. But it will not happen everywhere with everyone, for example we would never tell secrets to people we do not trust. Therefore to be able to have the most motivated employees, we think that what it all comes down to, is what kind of *knowledge culture* the organization manages to create. We will also like to emphasise that the knowledge culture is influenced by both the *organizational culture* and the *profession culture*. We would like to see the organizational culture as how to behave according to the values of the organization and the profession culture as how to behave according to the values of the profession, which in this case is the culture of knowledge workers. These two different concepts are simultaneously both struggling with each other but also interact with each other when creating a knowledge culture. According to Alvesson (2004:138) the struggle can be viewed in the way that knowledge workers identify themselves

with their profession rather than with the organization, and this can mean that the ties to the organization can be undermined.

In the beginning of our working process when we were learning different theories, we patricianly did not agree with one part, Maslow's level of *beautifulness* (Maslow, 1987) as a motivator. We actually laughed at it and said that it would never fit in our analysis, but we were wrong. During this process we have gotten closer to understanding how complex the profession knowledge worker is and what may be the real fuel to their motivation. There is a certain glow around knowledge workers, and we can even go to the extent of calling them kinds of prima donnas. Most knowledge workers think that they are the beauty of the labour force, and this feeling can be a cultural intrinsic motivator. The loyalty that these workers have to themselves is just not connected to their inner core, but also to the profession to which they identify with. The profession culture may be a key to why knowledge workers are so intrinsically motivated and this argumentation we will in various ways give account for during the rest of this cultural section.

During our process of analysis we discovered that a strong *knowledge culture* can motivate knowledge sharing in three different ways. These three are *norms and values, trust* and *physical environment*. The *first way* is to create an environment which is embedded by *strong social norms* regarding the importance of sharing ones knowledge with co-workers (Cabrera & Cabrera, 2005:728; Bock et al, 2005:91). The importance of *norms* and *values* can be located in a *culture theory* developed by the researcher Edgar Schein, where he emphasizes that these aspects are working as guidance for appropriate behaviour (Alvesson, 2008:37). Also Bock et al (2005:99) are emphasizing the importance of understanding the motivational drivers that underlie individuals' knowledge sharing behaviour.

> Organizational cultures are typically created and sustained through socialization
> processes, storytelling and rituals (Cabrera & Cabrera, 2005:728).

Values and norms which are embedded in the context of *organizational culture* derive from and are spread by the use of *language, stories* and *rituals*. These different norm developing factors can be viewed as shared symbols that organizations are using in order to create shared meaning and understanding of important values. Shared symbolic norms are being visible in the behaviour of employees (Alvesson, 2008:37-38). This also means that *norms* are a very

important tool when new recruits are going to be socialized into the organization and become one in the overall workforce of the organization. It is then important to learn language, stories and rituals so that they can adopt the *appropriate behaviour* according to the organization and the other fellow knowledge workers. According to Maslow (1987) we would like to argue that strong norms makes people feel a sense of *belongingness*, and the sense of belongingness appears when people are collectively being influences by as previously mentioned, language stories and rituals. These language, stories and rituals we believe can be developed by both managers in the organization but also by employees themselves. This means that there can both be stories and language developed in association with the organization but also associated with the profession of knowledge workers. The *profession culture* of knowledge workers also has their language and stories which they want to identify with, because that's what makes them knowledge workers. No matter who is the instigator of these factors that are affecting norms and values we believe that they are a good way in order to make workforces feel motivated to share knowledge with each other. It is thus important for motivation as an employer to acknowledge and understand the fact that knowledge may not be shared for the purpose of organizational success, but instead for the purpose of the knowledge workers own interests (Armstrong, 1998:69) such as an extended repertoire of knowledge. This arguing is in line with Alvessons (2004:142) view that knowledge workers keep their résumés in their bottom drawer and it is only the unskilled that needs the employer more than the employer needs them.

Norms and values can also be related to the *need for cognition* in the way that knowledge workers need to know and *understand* what is going on in their environment (Maslow, 1987). We believe that norms and values then can function as a motivational tool when employees know and understand why *knowledge sharing behaviour* is vital according to the organization and themselves. According to Schein norms and values that guide knowledge sharing behaviour can be transformed into *basic assumptions*, which is seen as the core of organizational culture and refers to as taken-for-granted beliefs about nature of reality. However this only occurs when norms are becoming deeply rooted and inherent in the minds of the knowledge workers (Alvesson, 2008:37). This means that knowledge sharing behaviour would be a natural part for employees in their every day life and coming from within, but this does not happen over night. Since workers of today are more loyal to themselves and always on the path towards something more interesting, we believe that creating this kind of *taken-for-granted organizational behaviour* is harder then ever. According to the survey made by

Nova100 respondents answered that they saw themselves stay at their first employer for about one to three years (exhibit 2). This is answers from highly knowledgeable students, but even so we believe that this behaviour also can be seen among workers in general. They stay a shorter amount of time with the same organization and are living in the future more than present time, always want to see the results as soon as possible and less interested in following direct orders. Therefore we would like to argue that motivating employees into knowledge sharing behaviour, linked to basic assumption is in present time harder than ever. However norms and values is a good way for organizations when trying to motivate knowledge workers. We would like to argue that the basic assumptions rather are inclined to the *profession culture* of knowledge workers than to the organizational culture.

The *second way* of how *knowledge culture* can motivate knowledge sharing is by creating an environment of *caring and trust* which is important in order to motivate employees to share their knowledge with others (Cabrera & Cabrera, 2005:728; Cabrera et al, 2006:246). It is argued that knowledge in the past was seen as crucial for every individual, since employees were valued through their knowledge, which could give them competitive advantage within the organization. In present time organizations are now encouraging their employees to share their knowledge with others and this is a challenging task because of employees past associations of knowledge. In order to decrease the difficulty of motivating employees to share their knowledge, organizations need to develop a knowledge culture where the *appropriate behaviour* is coveted (Milne, 2007:28-29).

> It is obvious that successful "people management" depends on whether the parties involved trust each other and treat each other fairly. (…) People consider employment more as a social relationship than as a contract. Trust and fairness are at the very heart of knowledge management as without them, there is no sharing of tacit knowledge (Thite, 2004:32).

Trusting culture is vital if employees will have expectations of reciprocity (Cabrera & Cabrera, 2005:728-729; Bock et al, 2005:99). This means that knowledge workers will only be motivated to share their knowledge if they trust their fellow workers, when behaviour is mutual and co-workers will share their knowledge in return. This can be related to the expectancy theory (Jacobsen & Thorsvik, 2002:306-309) in the way that if knowledge workers share their knowledge they are in return expecting to receive knowledge from others.

The valence of this new knowledge can be very high since knowledge workers in their profession always want to develop and become more knowledgeable. Trust between co-workers is not the only thing important, trust between the organization and the employee is at least as vital, if not more. The employee needs to be able to trust the organization in order to feel secure, and organizations need to trust in return. To be able to do their work in the best possible way knowledge workers require the kind of freedom that comes with trust. Organizations can for instance improve a trusting culture by giving knowledge workers the freedom to plan and execute their work (Horwitz et al, 2003:33) or even reward in a way that effects this kind of culture (Oliver & Kandadi, 2006:14-15). Trust as a motivational factor for knowledge sharing can once again be related to Maslow's argumentation about belongingness. Belongingness can be associated with that people need to feel safe and need to feel a sense of accessoriness (Maslow, 1987) that we believe only a trusting environment can establish. The *social exchange relationship* between co-workers is also an important determinant of the attitude towards knowledge sharing, where reinforcement of the relationship itself can generate a positive attitude towards knowledge sharing (Bock et al, 2005:92). According to the above argumentation we would like to argue that knowledge workers have a high need for a trusting culture since they are involved in knowledge activities. If knowledge workers do not trust each other then knowledge sharing will decrease and knowledge that is shared will be viewed as less reliable because of non positive interpersonal relationships. But knowledge sharing is just not for organizational gains, put also for the individual's own desire and quest for knowledge according to cognitive needs (Maslow, 1987). Knowledge workers are believed to be curious and interested in extending their own "bag of knowledge" and in order to get others knowledge they have to share their own in return (Cabrera et al, 2006:248).

A *third way* to influence knowledge culture is by emphasising the *physical aspect* of the work environment (Oiver & Kandadi, 2006:17; Haesli & Boxall, 2005:1966). Schein's theory on culture exemplify this as the most concrete level, where *artefacts* are related to *physical behaviour* and *verbal expression* in the working environment (Alvesson, 2008:37). We believe that a clearly developed physical environment with the intention to facilitate knowledge sharing can improve desired culture.

> Structural characteristics such as, shared areas, cubicles with low dividers, open
> spaces and other informal meeting amenities can help people in the process of

social networking. These physical characteristics can facilitate the flow of knowledge across the organization. (…) These characteristics have explicitly promoted the development of a culture of openness and knowledge sharing among the employees (Oliver & Kandadi, 2006:17-18).

By this physical establishment knowledge workers can combine norms and values together with a more visible level of culture. We also believe that an open and inviting work environment can increase the level of communication and also increase the level of trust between the knowledge workers, since they can communicate on a more informal basis. According to this argumentation we would like to argue that it is important to make intangible norms and values visible in the physical environment so that knowledge workers fully understand the importance of these norms and values which are embedded in the organizational culture. We will also like to argue that when employees get the opportunity to interact with each other in a less formal way the mutual trust can be improved.

Knowledge built into an organization's culture and into people's way of thinking and doing things in an organization cannot be easily copied and is thus the intangible resource that potentially provides real competitive advantage (Alvesson, 2004:5). We believe that because of a large amount of ambiguity in activities of knowledge workers, rules and formal directives can not be used as motivational factors. We have already demonstrated that we do not believe in classic motivational tools for long lasting motivation, but instead believe in the intrinsic motivation of knowledge workers and their own will to share and create knowledge. What organizations should strive for is to create a knowledge culture where organizational culture and profession culture can merge. We would like to agree with Sandberg and Targama (2007) that the key aspect of motivating knowledge workers in KIFs is to emphasize more intangible factors such as vision, values and culture that will present opportunities for employees to continue to grow. These are harder to copy, rewards can be given by anyone, but if knowledge workers identify with values and culture at their existing work place they know that they might have problems finding another place that motivate them as much as their existing and therefore might stand still and enjoy for their present time and location for once.

5) Conclusion and Discussion

In this last section of our thesis we will discuss our result from a broader perspective. We will be looking at the challenges KIFs are facing but also the importance of understanding culture when creating an overall motivated workforce. We will also later give suggestions of possible future research in the field of motivation in knowledge intensive firms.

We have in our analysis shown what motivates knowledge workers to share and create knowledge. However what we would like to emphasize in this final section of our thesis is a discussion regarding *profession culture* which we in the beginning of our thesis did not consider as a motivating factor for organizations. We rather described attributes of knowledge workers as problematic. Instead, we now see the importance of understanding this culture and the inner motivation among its workers as the foundation of how to motivate.

If we look back at previous generations' loyalty was different than it is today. We argue that parents of our generation are more loyal to their employers and stay longer then our generation. Further they do not see the same potential that we see when it comes to exploring all opportunities given us, and this new curiosity among workers of today is a huge problem in organizations and especially for KIFs, since their core value lies in the minds of their employees. No one can surely predict what work relations of our children will look like, but in relation to the past we believe that the minds of knowledge workers will have an even harder time finding satisfaction since they continue to search for things that will fill a forever half full "bag of knowledge". But we are on the road towards this today, the society in general is more responsive to change and individuals in general are more demanding which forces organizations to quickly adapt, living with changes and constantly develop to ***keep*** knowledge workers motivated and satisfied with staying.

What all today successful organizations need to acknowledge in order continuing to stay competitive is the environment. Acknowledging and actively working with in favour of the environment touch upon many different aspects. Organizations do not just work with environment because of all managers just woke up one day and decided they were environmentalists, it was the customers that demanded change. And if the power lies in the hands of customers then organizations need to change in order to even stay on the market. In the same way knowledge workers are powerful, and we believe will continue to be so, they

have the power and are demanding individuals that are on a shopping trip on "Knowledge Intensive Firm Boulevard". They have a huge wallet of knowledge to spend and the organization that desire that special knowledge need to have something extra in their window for ***attraction*** so that the knowledge worker will enter. And by drawing this parallel between demanding customers and employees we want to bring an important aspect up to the surface, which is treating employees as customers. This is nothing new in organizational theory, but we do not believe that most organizations generally see it that way. That mistake can not be done in KIFs since their employees are in a way their product, and ***development*** and loyalty of that product is vital for organizational survival just as loyal customers are vital for long lasting success.

Attracting, develop and *keeping* knowledge workers may not be the easiest task, and we still argue that it is hard, but only as long as organizations not fully understand the nature of this profession and the culture attached to it. Instead of seeing knowledge workers as demanding employees, even if they are, realise that it is their inner motivation that drives the business forward. It is the characteristic and perception of knowledge workers themselves that determine their organizational dedication. And it should be this understanding that lie as a foundation for creating the best HRM practices to attract, develop and retain them. Therefore we underline that how managers in KIFs understands and conceptualizes their knowledge workers will affect how they are approaching their motivational efforts. But motivational efforts are nothing like science where results are linked to specific actions, it is rather like art something, produced by human activity made with the intention of stimulate human sense as well as the human mind by transmitting emotions and ideas. For that reason motivation tools used to motivate employees for example reward systems are important but not crucial for motivation of knowledge workers. Instead management needs to downplay their own importance when trying to motivate knowledge workers through various rewards, since they are already motivated on their own. Management need to put their energy into creating an organizational culture that go hand in hand with the desired knowledge culture and the complex profession culture, it needs to be co-current and not trying to suffocate the already burning fire. Naturally it is not easy walking hand in hand when one part, the worker, always wants to run. But instead of trying to make the workers slow down the organization need to start to pick up the pace and run along.

5.1) Suggestions of possible future research

With our limitations of this thesis we encourage further research in the field of motivation in KIFs. Especially we think the relation between organizational culture and profession culture is an interesting aspect to further analyse. We believe that by additional investigate the profession of knowledge workers it can contribute to the development and establishment of more effective motivational strategies within KIFs. Another interesting aspect to look deeper into is how intrinsic motivation of knowledge workers can be used more effectively in order to create organizational success. Knowledge sharing and creating behaviour is both complex and ambiguous and this is why strategy of motivating this behaviour requires a lot of effort and time. Therefore different strategies, apart from recruitment and reward systems, would be interesting to investigate in order to see how they relate to motivation.

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Exhibit 1 - Result from Nova100 survey

Most important when selecting a future employer

Development opportunities — 80,0%
Challenging tasks — 66,5%
Salary — 40,7%
Corporate culture and values — 39,7%
International presence — 28,9%
Location of the office — 13,8%
Working hours — 11,2%
Corporate social responsability — 7,0%
Benefits — 5,8%
Employment security — 1,6%

0,0% 10,0% 20,0% 30,0% 40,0% 50,0% 60,0% 70,0% 80,0% 90,0%
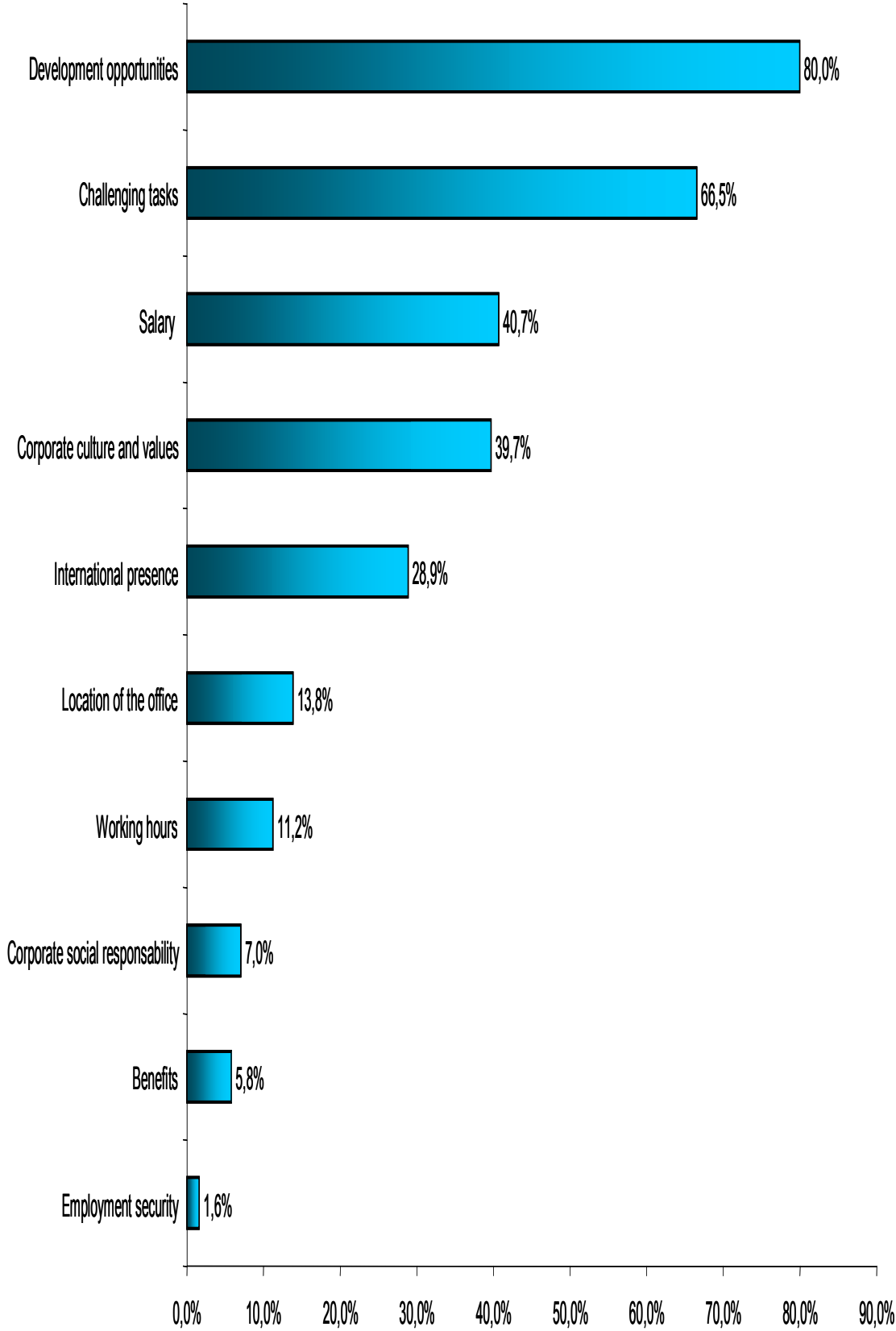
Exhibit 2 - Result from Nova100 survey

How long the employees will stay at their first employer

More than 5 years — 2,8%

4-5 years — 4,0%

3-4 years — 12,0%

2-3 years — 37,5%

1-2 years — 27,7%

6-12 months — 3,0%

0-6 months — 0,4%

0,0% 5,0% 10,0% 15,0% 20,0% 25,0% 30,0% 35,0% 40,0%

Exhibit 3 - Result from Nova100 survey

Desired benefits from future employer

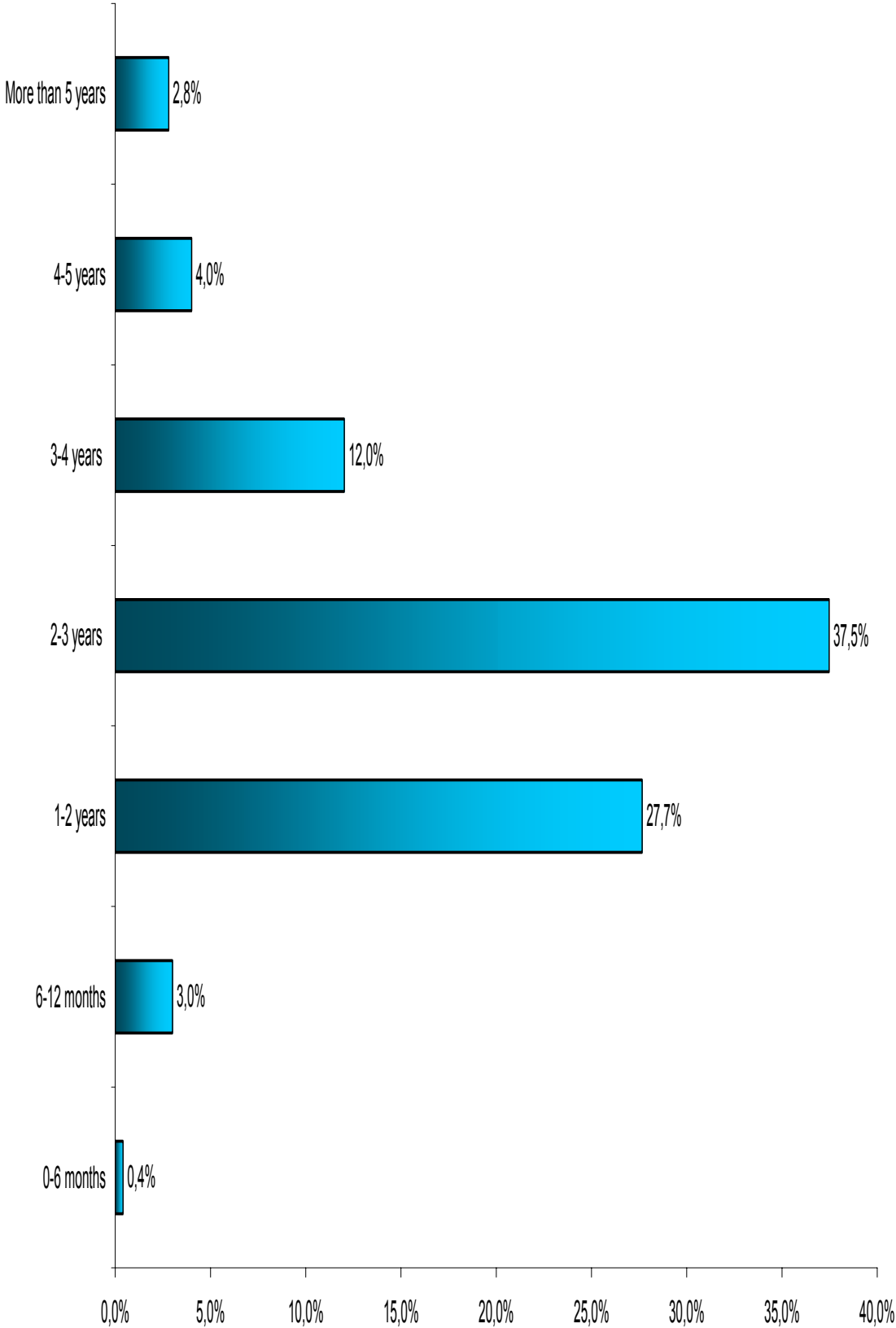| Benefit	Percentage
Leadership education	44,7%
Professional coaching	42,9%
Extended vacation	32,5%
Stock/option program	30,3%
MBA	28,3%
Extra compensation for over-time	23,4%
Health care benefits	16,2%
Extra compensation for maternity/paternity leave	13,6%
Subsidised training	11,8%
Retirement benefits	9,6%
Household related services	9,0%
Language course	8,8%
Shortened workweek	7,2%
Company car	6,6%
Childcare	6,0%
Sales training	2,2%
Massage	1,2%
Newspaper subscription	0,0%

Exhibit 3 - Result from Nova100 survey

Desired benefits from future employer