

# Giving is Caring?

## Identity and Control Issues with Employee Benefits

Master's Thesis in Managing People, Knowledge and Change

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### **Abstract**

Employee benefits can be seen as an HRM practice that has received increased attention among practitioners, while scholars' interest in this theme has been moderate. The previous research focus has mostly been on how benefits contribute to organizational outcomes such as commitment, retention and attraction of employees. As opposed to this dominant view, this study sets out to explore employee benefits from a social constructionist perspective to advance the research field of employee benefits. Departing from this socially constructed worldview, the interest of this study was to explore employees' interpretations and their constructed meanings of the benefit program. An interpretive interview study was conducted at a large organization offering an extensive benefit program where the employees could choose from a set of offered benefits. The findings showed that an employee benefit program symbolizes much more than what has been discussed in previous research, and has implications for both the identities and actions of the employees. The main findings were: (1) A benefit program comprises a symbolic value which makes the act of giving more important than the actual gift; (2) The act of giving contains an exchange relationship which is affected by the interpretation of the gift (the benefits); (3) The structure and distribution of a benefit program allowing the employees to choose among a wide range of benefits can give the employees an illusion of being autonomous; and (4) Benefits may act as a tool for identity regulation affecting the self-identity of the employees as well as their relation to the organization. These findings contribute to and add a nuance to existing theories on employee benefits.

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## Introduction

Strategic Human Resource Management (HRM) has been considered important for organizations to gain a competitive advantage. Especially HRM practices such as compensation systems, empowerment, flexible work conditions and team-work has been considered important to differentiate (Huselid, Jackson and Schuler, 1997). One HRM practice that has received attention among practitioners recently is employee benefits. The costs organizations spend on benefits have increased (Sinclair, Leo & Wright, 2005) and providing benefit programs has become a trend within organizations, even though the results are mixed (Hillebrink, Schippers, van Doorne-Huiskes & Peters, 2008). Benefits are seen as all compensations other than money that the employers offer their employees, and they should not be performance-based (Skatteverket, n.d.; Wilson, Northcraft, Neale, 1985). Assembling a collection of benefits into a benefit program is assumed to improve the status and legitimacy of the organization (Hillebrink et al., 2008).

The research that has been conducted has mostly focused on how the organization can profit from providing a benefit program. Benefits have for instance been argued to lead to more committed employees (Ju, Kong, Hussin & Jusoff, 2008; Sinclair, Hannigan, & Tetrick, 1995; Sinclair et al., 2005), which would in turn affect attraction and retention of employees (Dulebohn, Molloy, Pichler & Murray, 2009; Hagan, 1997; Sinclair et al., 1995). Commitment as a two-way relationship containing an exchange is also discussed (Eisenberger, Huntington, Hutchison and Sowa, 1986; Sinclair et al., 1995). This perspective argues that employees' perceptions about the organization's commitment and support to them are connected to how they will commit to the organization.

Another area that this dominant research has focused on is how the benefits are communicated. It has been noted that by increasing the knowledge about the monetary value and the costs associated with providing the benefits, would lead to the employees appreciating the benefits available (Sinclair et al., 2005). This in turn would lead to commitment and employees remaining with the organization (Gilligan, 2010). It was also argued that for a benefit to be valuable for an employee it needs to match the individuals' needs and wants (Sinclair et al., 2005).

A few scholars bring up that benefits can be seen as rights or taken for granted among employees (Hart & Carraher, 1995; Wethington & Tetrick, 2000), or seen as a prerequisite for

employment (Sinclair et al., 1995), which would imply that the benefits would not influence in the intended way. Iles, Mabey and Robertson (1990) argue that only if the employees perceive the benefits as valuable they can have positive effects on the organization.

### **The lack of a critical approach**

Even though benefits are an area gaining increased interest among practitioners, researchers have not given it much attention (Dulebohn et al., 2009). The narrow focus on organizational outcomes such as commitment, attraction and retention has also neglected what a benefit program contributes to for the employees, and has assumed a rather functionalistic view on benefits. We have noted that almost all previous research on the subject has been quantitative (e.g. Gilligan, 2010; Ju et al., 2008; Sinclair et al., 2005; Wethington & Tetrick, 2000). Therefore some of the perspectives that have been taken on other HRM activities have been largely unexplored when it comes to benefits.

Townley describes the functionalist view of HRM as “The black box of production, where organizational inputs - employees - are selected, appraised, trained, developed and remunerated to deliver the required output of labor.” (1993: 518). However, she argues that HRM practitioners’ influence on these processes makes them produce discourses, measurements, and knowledge and hence, exercise power. HRM activities such as recruitment and promotion have for instance been discussed as meaning-creating devices where they fill a symbolic function beyond what is obvious, and work to influence the image and identities among the employees (Alvesson & Kärreman, 2007). Organizational culture has also been seen as a way to control the employees (Kunda, 1992) and the same is with flexible work hours and other arrangements where the employees experience a sense of autonomy to control their own work situation. However, those arrangements seen from a more critical perspective can be a way for the organization to exercise identity regulation to control the employees (Alvesson & Kärreman, 2007; Alvesson & Willmott, 2002).

As noted, researchers (e.g. Alvesson & Kärreman, 2007; Alvesson & Willmott, 2002; Colquitt, LePine & Wesson, 2011; Mickel & Barron, 2008; Townley, 1993) have started to develop an interest in what is beyond the more obvious HRM activities, and how they influence the individual. Sensemaking, identity, image, symbolism and control are themes that have been studied when taking a more critical perspective on HRM. However, these perspectives have not yet been applied to research on employee benefits. Here we find a research gap where we are interested to contribute with deeper understanding. Our argument

is that benefit programs are more than a tool that leads to increased performance through more committed employees. Providing benefits can be a part of the organization's image-work, it can be a control function to influence employee identity and behavior and it may work as a meaning-creating device.

To illustrate this and help us understand and advance existing theories on employee benefits, an interview study was conducted at E.ON, which is a large energy supplier operating on the Swedish market. They have an extensive benefit program, which is well framed and emphasized as important for the organization as well as for the employees (Booklet "E.ONs benefits for you as an employee", n.d<sup>1</sup>). The benefit program, called Plusvalet, consists of flexible benefits that allow the employees to choose among a set offer. The content of the benefit program as well as how it was distributed was showed to be important for how the employees interpreted the benefit program as well as their relationship with the employer. This study has increasingly shaped our understanding of how an employee benefit program symbolizes much more than what has been discussed in previous research, and has implications for both the identities and actions of the employees.

## **Purpose and research questions**

Based on a social constructionist perspective, our aim has been to add nuances to existing research on employee benefits and view benefits from a more critical interpretive angle than what has been conducted so far. From an ontological standpoint that the world is a socially constructed, a benefit is only a benefit if it is interpreted as one. This perspective is barely explored considering employee benefits, which allows our research to bring new insights into the field. Since the employees are the ones receiving the benefits and are the ones that are assumed to commit to and remain in the organization, this study has directed the interest towards the employees' interpretations of a benefit program. Drawing on both existing research on benefits as well as critical organizational theories on symbolism, gifts, identity, image and control has allowed an increased understanding of employee benefits. By adding new perspectives to benefits, this study shows that a benefit program can impact organizations and the employees in other ways than what is usually assumed.

The guiding questions to explore this were:

- How do the employees interpret the benefit program?
- How do the interpretations influence the employee - employer relationship?

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<sup>1</sup> Internal document only available for employees at E.ON



## **Contributions**

Three main contributions to the research field of employee benefits can be noted; (1) Taking on a social constructionist perspective and analyzing benefits in relation to critical organizational theories contributes to extended ways of considering benefits; (2) Taking the employee perspective also adds a dimension to existing research, since the employees are the ones who use and are affected by the benefits, which has not been highlighted; and (3) Conducting research on the Swedish market where the welfare system is rather extensive (Diderichsen, 2000) also adds another perspective, since most previous research has been done in American organizations<sup>2</sup>.

Regarding practical contributions this study shows how the employees' interpretations and the symbolic meaning embedded in the benefit program is important for what the benefits will lead to. This study also illustrates how benefits are interpreted in relation to other organizational practices, the individuals' understandings of the organization as well as of themselves. For practitioners it is therefore valuable to consider how the benefit program fits into the culture and other organizational practices, what results they want to gain with the benefits and how they can affect the employees understanding of the benefit program. Considering that benefit programs are becoming more and more common in organizations (Hillebrink et al., 2008), we hope that this study can contribute with new insights into how organizations can work with benefit programs to gain both employees and the organization.

## **Thesis outline**

In the following sections we will start by accounting for our methodological understandings and how we have conducted the study. Following we will present existing research on employee benefits, where definitions and themes such as commitment, exchange relationship and communication will be discussed. To allow a discussion on benefits from a more critical perspective, research on symbolism, gifts, image, identity and control will be presented. Following the literature review, interesting findings from our empirical study will be

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<sup>2</sup> An article by Oliver and Cravens (2001) acknowledges how the cultures and legislation of different countries have implications for which benefits employers are offering and how much they are spending on employee benefits, such as pensions and welfare benefits. When comparing European and US companies Brewster (1995) concludes that European organizations have less autonomy regarding HR choices such as concerning employee benefits, due to legislation and governmental regulations. Also the Swedish welfare system is extensive, which is important to notice since a lot of the research within the field of benefits is American and little research within this field has been conducted in Sweden (Granqvist, 1996.). In Sweden some benefits are required the law, and are mandatory for all employers to provide to their employees. Employers are for example required to invest an amount of money corresponding 18.5% of an employees' salary into their public pension plan (Pensionsmyndigheten, 2012).

presented. In the discussion section that follows, our empirical findings will be discussed both in relation to existing research on employee benefits as well as in relation to critical organizational research, to allow a deeper insight into the subject. In the last section main conclusions will be outlined and suggestions for further studies will be presented.

## **Method and Methodology**

In the following section the methodological understanding this thesis is based on will be explained, as well as how it is compatible with the chosen research method. The research process, participants and how the analysis was done will also be presented. The methods section will end with a discussion on how reflexivity, trustworthiness and authenticity have been considered.

### **Methodology**

Our study departed from an interpretative paradigm since our ontological standpoint is that the world is socially constructed. We believe that the world is constructed through interactions between individuals and their context. Due to this interaction one's reality is constantly changing (Bryman & Bell, 2011). A social constructionist view also puts focus on interpretations, since the same phenomena may be interpreted in different ways depending on the social context (Sandberg & Targama, 2007). Further, those who have the ability to influence the interpretations and impose meanings are also the ones who have power (Mills, 2003).

Alvesson & Sköldböck (2009) discuss the critical perspective where they argue that power is embedded in everything. We do not take it that far since we are interested in employees' interpretations of a benefit program rather than uncovering power relations. However we do not neglect that power may influence how the benefit program is interpreted.

As will be shown in the literature overview, there is a lack of research seeing beyond the assumed causal relations between providing employee benefits, organizational commitment and the attraction and retention of employees. From a social constructionist perspective a benefit would only be a benefit if it is interpreted in that way. Therefore our intention is to understand how employees interpret and make sense of their experiences of a benefit program, which will add to previous research. Assuming this perspective makes sensemaking and understanding central in our thesis.

Sensemaking and understanding are two concepts that are closely connected and important when assuming a social constructionist view, since people act in line with what makes sense to them (Sandberg & Targama, 2007). Sensemaking is described as an ongoing process of organizing, labeling and categorizing events into something that makes sense and is understandable. It is retrospective in the aspect that it is concerned with making sense of

previous actions and circumstances, in order to rationalize future actions. It is also a process of language and communication, which gives meaning to situations, organizations and contexts, and from a social constructionist perspective, constructs these situations and contexts (Weick, Sutcliffe & Obstfeld, 2005).

Sensemaking is also considered a way to deal with uncertainty and ambiguity (Mills, 2003). In the process of making sense of a situation and act in accordance with the interpretation, the situation and meaning is brought into existence. This organizing process is individual as well as social, since it is concerned with interaction with existing values, systems, frameworks and other factors in the social context that influences individuals' sensemaking and helps categorizing (Weick et al., 2005).

Sensegiving, which departs from sensemaking is also considered important, and implies that someone uses sensemaking to create a certain meaning for someone else (Gioia & Chittipaddi, 1991). Through this thesis sensegiving will facilitate our understanding of how an organization is trying to impose a certain meaning through a benefit programs.

Also understanding shares this characteristic of both an individual and a social aspect (Sandberg & Targama, 2007). The individual aspect concerns how understanding is subjective, and is embodied in the person. The social aspect means that understanding is something that we learn in interaction with others and are socialized into, which creates a pre-understanding towards which interpretations are made.

To apply both understanding and sensemaking to our study the individual aspect is the core of what we are studying, namely how individuals understand and interpret the benefit program. We do however not neglect that the understanding is formed in social interaction, which makes the individual's understanding affected by the social context as well as contributing to the construction of the social context.

## **Research design and process**

Due to our ontological standpoint of social constructionism, qualitative research made the only option due to the assumption that meanings are socially constructed (Merriam, 2002). Also, according to Guba & Lincoln (1994) quantitative data cannot explain meanings and purposes behind human behavior. Our interest in the not well-explored area of the employees' interpretations of a benefit program also made the focus to be on employees' experiences rather than a causal relationship. E.ON Sverige was chosen as our research site because of the

extensive benefit program they offer their employees (E.ON<sup>3</sup>, n.d., accessed 2012-03-16). To be able to understand how employees interpret and make sense of their experiences of a benefit program, and to advance previous research on employee benefits, we added critical organizational theories to previous functionalistic literature on employee benefits when analyzing the empirical material.

To address the research questions and the aim to understand how employees make sense of and understand a benefit program, interviews are a suitable method to explore subjective understandings (Merriam, 2002). As suggested in qualitative research, an inductive approach was taken where the field studies have guided the theory reading and theory development (Merriam, 2002). Further, an iterative approach was assumed, where collection of empirical material and analysis were done in parallel (Bryman & Bell, 2005). The constant weaving between interviews, analysis and theory allowed for the research to develop and made us discover a gap within the research field of employee benefits. This also encouraged us to change the interview guide during the process to get more out of the interviews as new perspectives emerged Alvesson (2011).

A suitable way to at least get close to how people understand things is by using unstructured or semi-structured interviews where the researcher is not leading the conversation into certain directions (Bryman & Bell, 2007). We acknowledge the impossibility to fully avoid leading the respondent but we have tried to let the respondents' answers direct the conversation, which has led to that all interviews have turned out differently. Along with Alvesson (2011) we consider the interview as an empirical situation and are aware of that what is said during an interview is constructed by that particular context (Alvesson, 2011), which we are a part of. By using semi-structured interviews with open and broad questions we have let the answers guide follow up questions.

### ***Interviews***

In total 12 interviews were done complemented with document studies. In the initial phase of the study two explorative interviews, with employees at the HR department responsible for the benefit program, were conducted. Those two interviews were conducted in order to understand the benefit program and how it works. This information was used to understand the purpose behind the benefit program, what outcomes they were expecting and what they emphasized in the communication about the benefits. During these interviews we also had the opportunity to study the benefit web page where we tried to navigate between the offered

benefits and learned how they were presented, to increase our understanding of the benefit program. The respondents at the HR department were chosen due to their knowledge and insight into the benefit program. Those interviews were also complemented by studies of internal documents and studies of information presented on E.ON's homepage. Those interviews lasted about two hours each and were recorded and transcribed.

Examples of questions proposed for the employees at the HR department were: "How do you describe E.ON as employer?"; "What was the purpose with implementing a benefit program?" and "What does the benefit program contribute with?"

To address our research questions and to understand how the employees understand and make sense of the benefit program 10 interviews with employees throughout the organization were conducted. Our contact person at E.ON sent out an email to several employees at E.ON asking if they wanted to participate in an interview study about their benefit program. Of those who answered we chose respondents with a distribution among gender, age as well as among different positions and geographical locations within the organization. The use of a sample of convenience may be criticized if the intention is that the sample is to represent a larger population. However, since we are interested in subjective understandings of the benefit program, the respondents can only represent themselves, which makes us consider the sampling strategy less important. The wish to still have a distribution within our sample was due to our belief that people at different ages or at different geographical locations may experience the offered benefits differently, which would add dimensions to the analysis and discussion. This form of purposeful sampling is encouraged in order to learn as much as possible from the sample (Merriam, 2002). All ten interviews lasted about 45 minutes to one hour and were recorded and transcribed.

Examples of questions proposed for the employees: "What do you consider a benefit?"; "How would you describe E.ON as employer?"; "Would you like to tell us about your experiences of the benefit program?"; "How do you consider the offer?" and "If you and some friends would talk about employee benefits, what would you put forward about the benefit program at E.ON?".

The language used during all interviews was Swedish, therefore the quotations used in the analysis and discussions are translated into English. All interviews were conducted in meeting rooms at E.ON offices in Skåne, Sweden. Doing the interviews at E.ON allowed us to better relate to the respondents and their descriptions about the organization. Both researchers were

present during all interviews, one of us taking on the role as interviewer, while the other acted as the observer and taking notes. For the purpose of understanding the respondents, continuously develop the interview guide and allow for more input in the analysis, including two researchers at each interview was very useful. However, we acknowledge that this also impacts the interview situation. Being only the respondent and the interviewer may create a more relaxed and intimate atmosphere. Nevertheless, by trying to create a conversational style and allow jokes and laughter we experience that most interviews took a rather relaxed form.

### *Analysis of the empirical material*

Since we were assuming an iterative approach, analysis and the collection of empirical material were done in parallel. After each interview we, the researchers, talked through what has been said, and wrote down interesting aspects the respondents had brought up. We also evaluated our interview guide and added or removed some questions if we found a new aspect that would be interesting to explore. After transcribing all interviews we read each interview separately, focusing on themes, repetitions, keywords and contradictions within as well as between respondents (Ryan & Bernard, 2003). Initially we categorized the themes and findings around questions relating to existing research on employee benefits and questions specific for the context.

The next step we took was to start analyzing the interviews based on our research questions. At this stage we realized that only categorizing the empirical material in relation to previous functionalistic research on employee benefits would leave out many interesting aspects. For instance we discovered how the benefit program contributed to an image of the organization as caring, that the employees appreciated a symbolic value of the benefits and that the benefit program was interpreted as either something given from the organization, taken for granted or as a bribe. This led us to pay attention to how those aspects have been discussed in critical organizational research, and how we could apply those theories on our study. This resulted in an analysis containing a weaving between existing research on employee benefits assuming a functionalist approach, and theories on identity, image, giving, sensemaking and control, assuming a social constructionist approach. This cycling between different approaches on the studied phenomena is important to bring quality to the analysis (Alvesson & Sköldberg, 2009). This will be discussed further in the following section.

## **Reflexivity**

According to Alvesson and Sköldbberg (2009) reflexivity is concerned with a view on research results as only interpretations of empirical material that the researcher should critically explore from different levels and perspectives. Being reflexive is assumed to help avoiding biases related to the interview situation, the analysis, how the research field is approached and interaction with previous research on the subject. Through being reflexive the researcher should reflect on why those interpretations were made and which possible interpretations that were suppressed. Reflexivity is considered important since it can help bring quality to the interpretations of interviews, document studies and theories (Alvesson & Sköldbberg, 2009).

Being reflexive and aware of one's pre-understandings and assumptions is very important in qualitative research, since the researcher acts as both the instrument for collection of empirical material as well as the instrument for analysis (Merriam, 2002). Due to this, we discussed and wrote down our pre-understandings at the very beginning of this thesis work. For instance we could note that we assumed that (1) benefits can be taken for granted; (2) offered benefits is related to the size of a company; and (3) benefits can increase competitiveness. Being aware of them before we started conducting the research helped us being reflexive in order to manage biases.

It is also important for the researcher to understand how he/she contributes to the construction of the social reality and the studied phenomena, as well as how the researcher is constructed in this interaction (Alvesson & Sköldbberg, 2009). Further it is important to be aware of that there exist multiple interpretations (Alvesson, 2011), which we considered in order to develop deep and apprehensive discussions and results.

We are aware of how our ideas are socially constructed and that our role as researchers contributes to how we have interpreted persons as well as information we have faced during the study. We are also aware of that the respondents as well as we have purposes with the interviews, outspoken or not. The respondents' intention might not be what is best for the research, it could for instance be a way to express their political opinion, or their responses might be what they think they shall answer (Alvesson, 2011). Through being two researchers from different research disciplines we have different academic backgrounds, which naturally will contribute with two different viewpoints. Also through being aware of reflexivity and encouraging each other to take on different roles and approaches while going through the empirical material, existing research and our own analysis added to our reflexivity.



Reflexivity also partly comes natural in this study due to the intention to analyze the empirical material from both a functionalist perspective as well as from a social constructionist perspective.

### **Trustworthiness and authenticity**

Since we believe that the world is socially constructed we do not believe that there exist one truth or reality. This standpoint makes it difficult to assess the research from criteria assuming a realist view (Bryman & Bell, 2005). Guba and Lincoln (1994), among other researchers, suggest that qualitative research should be evaluated in other ways than quantitative research and suggest trustworthiness and authenticity as suitable criteria.

Trustworthiness includes four aspects: Credibility, Transferability, Dependability and Confirmability. Credibility concerns how accurate the results are and are judged on whether the research has been conducted in line with good practice and if the results are reported back to be evaluated by the participants (Bryman & Bell, 2005). To gain credibility within this research we have conducted our empirical material at E.ON, so that we could interpret the environment and culture of the workplace. By doing this, we could get an understanding of the reality of the respondents. All interviews were recorded and transcribed to secure data and avoid failures of our memory and the more descriptive parts have been reviewed by our contact person at E.ON to assure its correctness. Both previous to and at the beginning of each interview we informed the participants about their anonymity, and that we were not evaluating the benefit program but rather were interested in their experiences of it to use as an example in our thesis about employee benefits more generally. The anonymity is also a reason for why we have chosen to only mention the respondents as 'employee' rather than giving them fictional names where quotations could be connected and anonymity could be at risk.

Transferability is concerned with how well the results can be applied to other contexts or at another time (Guba, 1981). Doing qualitative research we are aware of the difficulty of generalizing. Our findings appeared in a certain context with a limited number of respondents and with the impact of our presence. To try to enable transferability and enable other researchers to judge whether the results are applicable to other contexts we have provided thick descriptions (Creswell, 2003) and used many quotations. Knowing that the benefit program is specific for E.ON, and that benefit programs in Sweden differ considerably from American, we find it important to extensively describe the research context at E.ON.

However, the research focus was to add a critical dimension to existing research on employee benefits and this approach may be transferable to future research and other contexts.

Dependability is concerned with how the research is conducted and could be evaluated by other researchers (Bryman & Bell, 2005). To account for this we have kept a research diary during the entire research process where we have gathered information and our thoughts about each step. We have also, in our methods section, tried to clearly articulate our sampling strategy, information about our sample, how we got in contact with our respondents, how we engaged with the respondents as well as how we analyzed the empirical material.

Confirmability is the last criteria of trustworthiness and is a way to assure that the researchers has not allowed personal values or theoretical orientation lead the research (Bryman & Bell, 2005). Knowing that we act in a socially constructed reality we are also aware of the fact that it is impossible for us to be objective. As was elaborated under the reflexivity section above we have tried to keep our pre-understandings in mind during the whole research process to manage our biases. By assuming a reflexive approach the confirmability criteria was accounted for.

Authenticity is more concerned with whether the results represent the studied group and how the study can help the participants to gain more understanding or enable changes. Fairness is the first criteria and concerns whether the study accurately represent the studied group and their opinions (Guba & Lincoln, 1989). To assure this we interviewed people at different offices, positions, age, gender and geographical locations. However, we are aware of that a qualitative interview study still represents subjective understandings of our participants and our aim is not to state 'this is how it works' but rather to show how people in the studied organization interpret a particular benefit program.

Further Guba and Lincoln (1989) mention four types of authenticity: Ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity. The first two concerns whether the study helps the participants to gain a better understanding of their situation and context and whether the study has led to better insight into other people's understandings. The last two are more concerned with whether the study has enabled the participants to change their situation. To account for this we will, in addition to provide them with our thesis, also give the HR department a summary of our findings. This will hopefully be useful since there has not been any evaluation of the benefit program so far. Many respondents also expressed interest in reading our thesis to see how others experience the benefit program, so hopefully

this study will lead to more insights into the understandings of others as well as of the organization. Nevertheless, the main purpose with this study was not to evaluate the benefit program but rather to add a critical dimension to existing research on employee benefits.

## Literature review

Central themes in research on employee benefits are how benefits may lead to and affect organizational commitment, the need for good benefit communication, and how employees value the benefits. In the following paragraphs an overview of existing research on employee benefits as well as central definitions will be provided. Following the literature overview of benefit research, a section accounting for critical organizational theories that can allow a deeper understanding of benefits will be presented.

### Employee Benefits

Employee benefits are described as all compensations other than money that employers can offer to their employees (Skatteverket, n.d.; Wilson et al., 1985). The organization can either pay for the whole benefit or a part of its monetary value. Benefits can for instance be insurances, glasses, healthcare, and language courses (E.ON<sup>3</sup>. n.d. Accessed 2012-03-26). They can be either mandatory or voluntary, also called fringe benefits. Mandatory benefits are established through the law and collective bargaining<sup>3</sup> while fringe benefits are voluntary offered by the organization (Ju et al., 2008). Many organizations assemble a collection of benefits into a benefit program (Marsh & Kleiner, 2004), where the employees are given an amount of money they can choose to spend on a set offer of benefits (Smitt, Wiberg, Olwig, Riegnell & Sjöstrand, 2002; Wilson et al., 1985).

#### *Expected outcomes with employee benefits*

Employee benefits are mainly described as something positive (Weathington & Tetrick, 2000) both for employees and employers (Hagan, 1997). The purpose of providing benefits can be to attract and retain the best employees (Gilligan, 2010; Hagan, 1997) and to make the employees feel valuable (Iles et al., 1990). Sinclair et al. (2005) also state that the use of benefits can lead to increased productivity, healthy employee-employer relationships and influence organizational effectiveness.

Many studies (e.g. Ju et al., 2008; Sinclair et al., 1995) argue for a relation between employee benefits, organizational commitment and employee retention. Throughout this thesis organizational commitment will be referred to as commitment. Commitment can be described

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<sup>3</sup> In Sweden some benefits, for instance pensions and 25 days of vacation, are required by the law, and are mandatory for all employers to provide to their employees. The Swedish unions generally have a large influence of employment conditions for employees and the collective bargaining agreements are often extensive and may differ between industries as well as workplaces. Through a collective bargaining agreement the employers have many obligations towards the unions (Källström & Malmberg, 2009), which might differ from other countries.

as a psychological state reflecting the employee's relationship to the organization and affects the employee's decision to stay with the organization (Meyer & Allen, 1991). The relationship between the employer and the employees contains an exchange of commitments, where the compensation, including benefits, is an important part (Sinclair et al., 1995). Eisenberger et al. (1986) suggest, in line with social exchange theory, that commitment is a two-way relationship; how the employees perceive the organization's commitment and support to them determines their commitment to the organization. An employee's commitment tends to increase when the organization shows appreciation (Eisenberger, Fasolo, & Davis-LaMastro, 1990). According to Sinclair et al. (1995) the coverage of benefits is an indicator of the exchange relationship between the employer and the employees. That would imply that providing a benefit program could be seen as the organization showing appreciation to the employees, which would make the employees committed to the organization. Sinclair et al. (2005) argue that organizational commitment should be the central aim of employee benefit programs if the organization wants to enhance retention.

Meyer and Allen (1991) propose a three-component model for organizational commitment that has become well acknowledged. The components are affective commitment, continuance commitment and normative commitment. Affective commitment concerns the employees' identification with, and emotional attachment to the organization as well as the employees' involvement in the organization. This form of commitment leads to employees staying with the organization because they want to. The second component, continuance commitment, is related to the cost of leaving the organization and employees remain in the organization because they need to. Normative commitment is the third form of commitment and concerns the employees' feeling of obligation to remain with the organization; they stay because they ought to. The three components are thought to interact and influence behavior and they can all be experienced by an employee, but to a varying degree (Meyer & Allen, 1991). Both affective and continuance commitment has been argued to affect turnover (Allen & Meyer, 1996; Cohen, 1997). Regarding how employee benefits are associated with the different forms of commitment, research by Sinclair et al. (2005) suggests that benefit programs influence affective commitment more than continuance commitment. However, Micheli and Lane (1990, in Sinclair et al., 2005) argue that employees' perceptions of the benefits are central in how the benefits contribute to organizational commitment, and only by increasing the amount of benefits will not contribute to more commitment.

Hillebrink et al. (2008) question what outcomes benefits can lead to, but note that even if benefits are not directly related to organizational effectiveness they are still assumed to affect the status, image and legitimacy of an organization. They explain the reason for why many organizations implement benefit programs as an expression for institutional pressure and mimetic isomorphism, where organizations are pressured to implement benefit programs to remain competitive.

### ***Communication and value***

Many researchers emphasize communication as highly important in order to gain intended outcomes with the benefits. How benefits are communicated by the organization is assumed to affect the employees' satisfaction with the benefits (Sinclair et al., 2005). It is argued that employees' understanding and usage of the benefit program is highly dependent on how well it is communicated. It is therefore emphasized that communication of benefits can lead to retention of employees as well as increased commitment, which then makes communication of the benefits very important for organizations to acknowledge (Gilligan, 2010; Sinclair et al., 2005). Sinclair et al. (2005) also argue that how employees perceive benefits will be affected by their easiness, availability and the suitability.

Wilson et al. (1985) stress that for the organization to gain from spending money on benefits, the employees need to perceive the value of the benefits as at least as much as what the employer spends. By communicating the economic value of the benefits is therefore considered important in order to increase the perceived value as well as make the employees view the employer as more supportive (Everson, 1996). This is also assumed to positively affect the exchange of commitment (Eisenberger, et al., 1986).

This way of using communication can be applied on Johansson and Heide's (2008) definition of communication as a tool, where the main purpose of the communication is to explain and declare information. As showed, communication is assumed to be a central part for benefit usage, appreciation, return on investment and organizational commitment. By offering benefits the employees' value and that meet their psychological needs is assumed to lead to a positive perception of the benefits. They will then probably use the benefits more frequently and be more committed to the organization (Sinclair et al., 2005). However, Iles et al. (1990) argue that benefits only can lead to positive effects if the employees perceive them as valuable, without any perceived value the benefits will not make employees more committed.

Nonetheless, they also note that benefits may play a little role in the attraction and retention of employees, since they are often undervalued. Even though employers see benefits as extra compensation, earlier research show that some benefits can be viewed as rights among employees (Hart & Carraher, 1995). Benefits that are interpreted as rights are argued to be expected and taken for granted (Wethington & Tetrick, 2000). Those benefits are assumed not to affect the employees as it was intended by the organization. It is therefore important that the organization considers employees' understanding of the benefits offered (Wethington & Tetrick, 2000).

To conclude, previous research on employee benefits has mostly emphasized commitment, attraction and retention of employees as outcomes with benefit programs. It has also been emphasized that communication is important for employees to understand, use and value the benefits, which in turn is assumed to lead to the intended outcomes. What we notice is that this dominant view on benefits do not account for the sensemaking processes of the individuals, the symbolic meaning a benefit program may contain and that giving benefits may contain a controlling aspect. This leads us to explore theories within critical organizational research, to increase the understanding of employees' interpretations of benefits and advance the view of employee benefits.

### **Critical organizational theories to understand employee benefits**

In addition to the theories presented above, this section will outline additional theories that has not been applied to employee benefits, but which we find useful in order to increase the understanding of the processes associated with providing the employees with a benefit program. Some critical perspectives that will be presented have been applied to other HRM activities such as attraction and promotion of employees, but not highlighted in the subject of employee benefits. Other critical organizational theories are included since the analysis of the empirical material directed our attention in that way. In the following section theories on symbolism, the act of giving, image, identity and control will be presented. We find these perspectives important in order to allow for a more profound analysis of the empirical material, thus extending the understanding of employee benefits as not only a tool to gain committed employees.

#### ***HRM practices to express and create a symbolic meaning***

Prior researchers have expressed that HRM practices and systems can be seen as meaning-creating devices (Alvesson & Kärreman, 2007). Symbols and symbolic actions are considered

important for organizations if they want monetary rewards to lead to the employees experiencing a surplus value (Colquitt et al., 2011). Also the economic value of receiving money from an organization and the possibility to add symbolic meanings to it has been studied (Mickel & Barron, 2008; Zelizer, 1994). What has not been addressed is how an amount of money allocated for a specific range of benefits is interpreted.

Symbols within an organization are believed to express feelings, images and values suitable for that particular organization (Colquitt et al., 2011). According to Bryman and Bell (2011) any object or act may be seen as a symbol. An example of organizational symbolism could then be the logo that an organization uses, their image-work, communication, work suits, or behavior (Colquitt et al., 2011). Dandridge, Mitroff and Joyce (1980) propose that symbols can be used to affect and communicate the values of an organization to the employees. We suggest that a benefit program can act as a symbol for the organizational values, which is a perspective to employee benefits not taken before.

Living in a socially constructed world, individuals constantly interpret their reality and their environment. The interpretation of symbolic meanings within that environment shapes the way an individual interprets it (Bryman & Bell, 2011). It is suggested that by using symbolic actions the definition of reality can be influenced (Galang & Ferris, 1997) and it can be seen as a way for organizations to manage their environment (Colquitt et al., 2011).

Monetary rewards are also argued to contain a symbolic meaning (Zelizer, 1994), which is shaped in the mind of the individual (Mickel & Barron, 2008). Even if benefits are not considered as rewards, theories on symbolic meanings with rewards may be interesting to discuss in relation to employee benefits as well. Other than the obvious economic value, Mickel and Barron (2008) stress that symbolic values can be shaped and increased by adding a symbolic meaning to the money received. By adding a symbolic meaning, both economic and symbolic value will increase and affect the perceived value, just as the absence of perceived symbolic meaning can decrease the perceived symbolic value. Being provided with money, employees can obtain things that are important to them, which can create both economic and symbolic value (Mickel & Barron, 2008).

It is argued that it is mainly the context in which the money is received that decides whether it is perceived as meaningful or not (Mickel & Barron, 2008). The authors stress that there are four circumstances that affect the perception of the symbolic value; “who distributes the monetary reward, why it is distributed, how it is distributed, and to whom it is distributed”



(Mickel & Barron, 2008: 329). The distribution process is considered important since it can affect and even create a perceived symbolic value. Adding a symbolic value can lead to fulfillment of desired organizational outcomes as well as the absence of it may decrease the possibility to achieve desired organizational outcomes (Mickel & Barron, 2008). If money is presented to control one's behavior, then that reward may undermine intrinsic motivation (Ryan & Deci, 2000). Viewing monetary rewards as a symbol can be a way for organizations to gain power and influence (Ferris, Hochwarter, Buckley, Harrell-Cook & Frink, 1999).

As has been discussed, symbols and symbolic meanings are important for how an organization and its practices may be interpreted. Viewing benefits as a cultural symbol makes it interesting to explore what the act of giving benefits may symbolize and what actions it may generate.

### ***Gifts and exchange***

As shown in the theory section on employee benefits, research has emphasized an exchange relationship between providing benefits and gaining commitment in return. The assumption has been that the employees feel that they want to, need to or ought to stay in the organization. The assumption has also been that it is important that the employees understand the economic value of the benefits and consider them as valuable for them, in order to want to commit to the organization. What these theories do not assume is that it may be an intrinsic exchange in the act of giving, and that a gift may symbolize an initiation to an exchange. Therefore the following section will present another way of viewing an exchange relationship based on theories on gifts and giving.

By studying tribes in the early 20<sup>th</sup> century Mauss (1990) concluded that a gift contains an exchange. He argues that even if it may appear unconditioned it is obligatory due to a system of reciprocity. The act of giving is assumed to contain three processes, which he claims are fundamental: the obligation to give, the obligation to receive and the obligation to repay. By giving one gains prestige and authority, but if one fails to give when one is assumed to, rank and authority is lost. The second process regarding receiving is also fundamental, and not accepting a gift would imply fear of not being able to repay. It is argued that by accepting a gift, a challenge to prove that you are worthy the gift arises. Only through repaying it is proved. However, failing to repay, one will be a slave for debt (Mauss, 1990).

Also Cialdini (2007) notes this and argues that we are socialized into the rule of reciprocity, and if accepting a gift or favor without giving anything in return will lead to the social group

not accepting the person. Mauss (1990) also argues that by giving something in return is a way to change the relationship of who owes whom. One would want to give more in return than what has been given in the first place, to make the other person become indebted. The act of giving is performed to earn honor and status and through the giving process the receiver is positioned in a subordinated position until he has given in return more than an equivalent gift (Mauss, 1990). Cialdini (2007) states that to relieve the burden of being in debt to someone, one willingly gives a larger favor in return. He also notes that reciprocity and feelings of obligation work even if the favor is not requested. This statement was based on Regan's (1971) study where this was indicated. Regan (1971) also argues that the relationship between receiving a favor and compliance to do something in return is mediated by a normative pressure rather than liking of the other person.

Lemmergaard and Muhr (2011) stress that it is not only the reciprocity that is important when it comes to gifts, what is given is also important since it affects the givers' reputation. Their study was conducted in Denmark and they argue that the culture needs to be acknowledged when giving, for instance due to Scandinavian culture, the Scandinavian companies do not want to be interpreted as wasteful. Also giving something that the receiver cannot reciprocate might create a feeling of being humiliated, which can affect the relationship negatively. Further if a gift is considered to be personal, it may symbolize care and can impact organizational image (Lemmergaard & Muhr, 2011).

Lemmergaard and Muhr (2011) conclude that the act of giving is more important than the actual gift. How the gesture to give is understood is considered important for how the gift is interpreted, and they discuss how a gesture can be interpreted as both a gift and a bribe. They refer to Fritzsches definition of a bribe as a "gift given with the purpose to influence" (Lemmergaard & Muhr, 2011:767), but note that if assuming what Mauss' (1990) states comprises a gift, a gift already carry some form of influence due to its intrinsic obligation of reciprocity.

The view of benefits as a gift containing an intrinsic exchange relationship has not been highlighted and this will be elaborated on further in the discussion section.

### ***Identity and image***

Critical organizational scholars have also paid attention to how organizational practices may influence the organizational image and identity as well as the identities of the individuals. For instance, Alvesson and Kärreman (2007) state that HRM is about creating an organizational

identity. The organizational identity will in turn affect how the employees view themselves (their self-identity) and their relation to and identification with the organization, which makes HRM important in identity constructions. Gioia, Schultz and Corley (2000) argue that there is a need to view identity from a social constructionist perspective, where identity is seen as something that is constantly changing and is negotiated. Also Weick, Sutcliffe & Obstfeld argue that identity becomes an important part in the process of sensemaking:

“From the perspective of sensemaking, who we think we are (identity) as organizational actors shapes what we enact and how we interpret, which affect what outsiders think we are (image) and how they treat us, which stabilizes or destabilizes our identity. Who we are lies importantly in the hands of others, which means our categories for sensemaking lie in their hands.“ (2005:416)

This changeable character of identity concerns both self-identity and organizational identity (Gioia et al., 2000). They argue that even if identity appears enduring since we might use the same labels they may still mean different things for different persons, in different situations. This would imply that identity changes when interpretations change, and then it is only the labels that remain. Gioia et al. (2000) also connect identity and organizational image and argue that image is mostly an internal conception, held and communicated by people inside the organization. Since benefits are an HRM activity it can be assumed that it has some influence on the identity of the individual and the organization, as well as on the organizational image.

Hatch and Schultz (2002) link image and identity with culture and propose a model, Organizational Identity Dynamics Model, which explains this relationship. The model proposes that organizational identity is an expression of the organizational culture as well as symbolic material that can be used to create a certain image of the organization. They argue that the organizational identity is formed in a cyclic movement between the organizations understanding of its own culture and the perceived image of others (Hatch & Schultz, 2002).

Considering a benefit program a cultural symbol would, according to this model, affect the organizational image as well as the identity. For a benefit program to contribute to a consistent organizational identity it must both reflect the organizational values and make people external to the organization perceive them in a way similar to the identity. This shows how both an organizational identity and image is fluid and changeable, and how organizational practices, such as a benefit program, can influence. In the case of a mismatch, the organization, according to Hatch and Schultz (2002), can answer by either change the

identity and culture to better fit the image or change the impression work to better match the values and identity of the organization. The ability to change and influence the organizational identity and image makes these aspects issues of control.

### ***Critical organizational theories in relation to control***

In relation to the organizational Identity Dynamics Model presented above, Hatch and Schultz (2002) bring up that people with power have more opportunities to influence the organizational identity. For instance, those who can decide on what cultural symbols the organization wants to express are also the ones who have more possibilities to affect the organizational identity. Applied to organizations work with benefits, a benefit program can be interpreted as a cultural symbol and when the HR department decides on the content in the benefit program it can be seen as a way to exercise power to influence the organizational identity.

Implementing or changing discourses within an organization can be seen as a way of using power to manage identity regulation (Alvesson & Willmott, 2002). Discourses can be used to affect the self-identity and work-identity of employees, in order to manage organizational control. Identity regulation then is seen as a process of construction and reconstruction of identity. This process is uncertain and needs constant identity work. The relationship between identity regulation, identity work and self-identity is circular and these elements affect one another. This circular relationship is interpretive and how employees interpret identity regulation (or rather discourses) can affect and regulate what is processed through identity work, which is affected by and affects self-identity. Self-identity is how a person reflexively understands him/her self. Through identity work a person sustains narratives and adopts discourses and practices “targeted at the ‘insides’ of the employees” (Alvesson & Willmott, 2002: 627).

Discourses, new ones or reconstruction of existing ones, are a way for organizations to manage identity regulation (Alvesson & Willmott, 2002). Benefits as well as titles or hierarchies can be examples of discourses that are used to influence how an employee feels, acts and thinks, through identity regulation. Identity regulation is therefore seen as a form of organizational control since it affects identity work, which is “[...] comparatively unselfconscious, albeit contingent upon life history and the unchallenged position of the hegemonic discourse(s) through which identity is reproduced.” (Alvesson & Willmott, 2002: 626). Important things that are assumed to affect and shape one’s identity work are rituals,

language, stories and cultural resources (Alvesson & Kärreman, 2007). For the purpose of this thesis we will elaborate on how also employee benefits can contribute to the shaping of the employees' identities.

As suggested by Alvesson and Willmott (2002) working with identity work is a way for employees to reach a strong and coherent sense of self. Further, they state that succeeding with identity regulation can create a more or less common organizational identity among the employees. The difficulty though is that the interpretation among individuals will differ. Identity regulation is assumed to influence self-constructions of employees but it does not have to be an effective way of increasing commitment, loyalty or motivation (Alvesson & Willmott, 2002). Alvesson and Willmott stress that "it is not the availability of discourses or even the frequency of their articulation that is important for pursuing organizational control through the regulation of identity" (2002: 628).

As showed, organizations, or rather people within organizations in a power position, have the ability to influence the identities of the employees as well as the organizational identity and image. Organizations are often seen as an arena where power is exercised. Many of the critical theories on HRM bring up a controlling aspect of the HRM mechanisms. For instance Deetz (2003) notes that modern HRM is concerned with culture and meaning, and creating an individual with a specific set of feelings and self-conceptions. He argues that power is manifested in processes and norms, and considers HRM's control as rather implicit since it shapes meanings, actions, values, and reproduces dominance relationships. He also describes HR professionals as symbolic elites, since they have the ability to impose dominant meanings and discourses into organizational practices and make them appear as normal rather than political. This is in line with how Kunda (1992) describes normative control. He argues that normative control is concerned with making the employees identify with and adopt the norms and values of the organization, which will guide the actions. Managers do not act to control the actions of the employees but rather shape how they interpret things, which makes them experience that they themselves are in control of how they act. The internalization of appropriate ideas, values and feelings is assumed to lead to that the employees do not experience that they are controlled (Kunda, 1992).

Fleming & Sturdy (2009) argue that there exist many difficulties with normative control and how employees are encouraged to conform to and identify with the organization and share the organizational values. To account for individual differences, diversity, autonomy and, simply

put, encourage the employees to 'be themselves' they see the rise of a new form of control which they name neo-normative control. They express that neo-normative control is concerned with the non-working life of the individual, and the freedom to express the individual identity even at work. It shares many similarities with normative control but it is based on people's differences rather than aiming at making people similar. In addition to the difference aspect, neo-normative control also is concerned with having fun at work. Fleming and Sturdy (2009) consider fun at work as a way for the employees to be themselves. Neo-normative control, and especially fun at work, can be a way to blur the division between home and work.

Empowering the employees to be themselves can also be a way to exercise identity management and a way to control the employees (Fleming & Sturdy, 2009). This is due to that there are only certain types of identities that are tolerated, employees who for instance do not want to have fun at work do not fit in. Neo-normative control is also a way to involve more of the individual's identity into the work situation to enhance performance. It is also considered a form of control based on self-discipline. The result of the individual becomes more dependent on the identity, values or personality rather than not enough commitment to the organization. Existential empowerment is also seen as a way to control the identity of the individual, through the cynicism or distancing it might create (Fleming & Sturdy, 2009). Offering employee benefits that especially fit into the organizational values can be seen as a way to exercise normative control, while providing a wide range of different benefits would more fit into the neo-normative control definition since the employees are able to choose the benefits that fit their personal life, wants and needs.

Sensemaking, or rather sensegiving, is also related to control and people who are powerful have more abilities to influence other people's sensemaking and construction of social reality (Mills, 2003). This could be accomplished through acting as a sensegiver. A sensegiver uses symbolic meanings, actions and communication in order to influence others sensemaking-processes. These symbolic constructions are used to impose a certain meaning to an event (Gioia & Chittipaddi, 1991). Relating to benefits, a benefit program may be a symbolic construction used by managers or the HR department to impose certain meanings about the organization or the employees, or particular benefits may be used to create a certain interpretation of the benefit program.

To sum up, of those critical organizational theories described in the last sections it can be noticed that all of them contains some form of control aspect. Identity regulation is seen as a way to manage the identities of the employees (Alvesson & Willmott) and Alvesson and Kärreman (2007) argue that HRM is about creating an organizational identity, which in turn affects how the individuals view themselves (their self-identity). By deciding on cultural symbols and what the organization want to express influence the organizational image, which in turn influences organizational identities and culture (Hatch & Schultz, 2002). Galang and Ferris (1997) stress that symbols and political language can be used as a tool of power to shape values and norms of an organization. Symbols and language may also work to impose a certain meaning in HRM activities and organizational processes, which is a way to frame employees' interpretations of those (Deetz, 2003). He also suggests that the individual is produced in the HRM processes, and Alvesson and Kärreman (2007) argue that HRM systems works to sustain the normative order in an organization through providing shared meanings about the organization. They also emphasize that HRM practices can be seen as carriers of organizational culture and values. This will be highlighted and discussed in the following sections.

## Empirical findings

In this section we will provide the reader with a brief overview of the research site, the benefit program in place and the purpose of the benefit program. This empirical basis comes from document observations and interviews with two employees from the HR department. Further, since we take on the perspective of the employees, the interpretations from ten respondents will be outlined and discussed. The two research questions that we aim to explore with this empirical material are:

- How do the employees interpret the benefit program?
- How do the interpretations influence the employee - employer relationship?

### Presenting the case: Employee Benefit Program at E.ON

E.ON is an energy supplier with 90 000 employees in Europe, United States and Russia (E.ON<sup>1</sup>, n.d., accessed 2012-03-26). E.ON Sverige is a subsidiary company to E.ON, with its head office in Malmö, Sweden (E.ON<sup>2</sup>, n.d., accessed 2012-03-26). E.ON Sverige provides performance based compensation and benefits that are assumed to create surplus value for their employees. Their benefit program, Plusvalet, comprises all employees with an employment longer than 6 months and they offer the same benefits to every employee independent of position, salary and need (E.ON<sup>3</sup>, n.d., accessed 2012-03-26). The only exception is some employees with managerial position, who have extended benefits. To minimize administrative costs and to be able to offer a wide range of flexible benefits E.ON uses a supplier of benefit programs (Interview, Employee at the HR department). The supplier provides organizations with both a wide range of benefits and a webpage where the employees can navigate and order benefits (Flexpay, n.d.).

The initial purpose with the program was to decrease administrative costs, “It is an enormous amount of administration behind giving someone a benefit” (Interview, Employee at the HR department). The purpose was also to make the benefits more flexible, to be an attractive employer with benefits above average and to offer similar benefits to all employees in order to decrease possible feelings of being forgotten, which might be the case if not all employees receive benefits (Interview, Employee at the HR department). The program is expressed to offer “a wide range of benefits, a mixture. It is supposed to offer something for every employee [...] it is supposed to be fair.” (Interview, Employee at the HR department). Further “The goal of all the benefits in Plusvalet is that they should be attractive for our employees, no matter their life situation and interest. We simply want our employees to like



working for us and to be committed and proud. That is why you [the employees] can now select from a plethora of benefits that is growing larger every year.” (Booklet “E.ONs benefits for you as an employee”, n.d., p.1). Further the benefit program is expressed to consist of ”services and products that add surplus value for employees, in addition to salary and other compensations.” (E.ON<sup>3</sup>, n.d., accessed 2012-03-26).

The benefit program is divided into two accounts, the E.ON account consisting of 2000 SEK and the Welfare account consisting of 3000 SEK. Yearly all employees receive both and through an individual homepage they can get an overview of all existing benefits, what benefits they have used, available ones and how much money that remains on their accounts (Interview, Employee at the HR department). From the E.ON account employees can use their amount on for example; dental care, health care, glasses, group insurances, health insurances, private insurances, car for private use and domestic services (Plusvalet, n.d.<sup>4</sup>). Those benefits are all liable on tax while all benefits within the Welfare account are tax-free. Examples of benefits included in the Welfare account are gym cards, dance courses, massage, swimming, dietary consultation and anti-tobacco treatment (Plusvalet, n.d.).

Both respondents from the HR department talked specifically about how the organization gains from having healthier employees, but noted that it is difficult to trace decreased absenteeism to the benefit program alone. In addition to the two benefit accounts, E.ON also offers a discount card to all employees. The card gives the employees access to discounts in several areas, such as travel, health, and shopping (Plusvalet, n.d.).

“As long as it [the discount account] gives a positive feeling it is of value for E.ON. It does not have to cost a lot, what is most important is to show that we care. To care matters a lot.” (Employee at the HR department)

Both respondents from the HR department talked proudly about the benefit program as well as of some other working conditions employees at E.ON are offered. For instance the employees are offered flexible working hours and ATF hours, which is a pot of hours the employees can use on unpaid vacation, in addition to the 25 days of paid vacation (Interview, Employee at the HR department). Some benefits are mandatory due to collective bargaining agreements, but they are all presented at the same homepage. One of the employees at the HR department expressed the reason as follows:

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<sup>4</sup> Information accessed through internal web page.

“E.ON gives more days [of parental leave] than what the collective bargaining agreement states [...] And that is put here since it is a good place to inform about it.” (Employee at the HR department)

Interesting concerning how the employees at the HR department describe the benefit program is firstly how they stress that what is most important with the benefit program is to show that the organization cares for their employees and that they offer benefits for every employee. Interesting is also how they emphasize that they give the benefits to the employees, which will be elaborated on in the discussion. However, the following sections will first present how the employees interpret the organization and the benefit program.

### **E.ON as a big colossus and a smooth panther**

When the employees described E.ON two perspectives were stressed: Most of the respondents described E.ON as a large, powerful and safe organization they were proud of working for, but inertia and rigidity was also highlighted. The inertia and slowness is shown when it comes to strategic changes and some experienced a feeling of distance between the decision-making processes and the employees due to the large organization. However, the size of the organization was also expressed as a presumption for the organization to make changes extensive and successful, and it was also emphasized that the organization offered their employees a lot of flexibility. This contradicting picture of the organization as both rigid and flexible is expressed in the following quotations:

“I would describe it as a big ship, because we are like a big colossus that is hard to turn around. Every time a lot of effort is needed. There are many involved and many things that need to be changed. We are not as flexible as a small company, since we are a huge corporate group that is harder to turn around.” (Employee)

“If we look at personal issues and how to handle them, during relocations and issues like that it is actually very smooth. During those issues we are not a big colossus, rather things are done smoothly. So, then it is more of a panther.” (Employee)

The size of E.ON also gives the employees the opportunity to develop within the organization and advance employment, which most respondents acknowledged as a reason for either why they applied for a job at E.ON or why they have stayed long with the organization. Also the flexibility, personal development opportunities and work-life balance added to the picture of E.ON as a good and caring employer.

It was also highlighted that E.ON shows gratefulness towards the employees and are providing an extensive benefit program. How the respondents view the organization and

E.ON as employer will be further related to how the respondents consider benefits, and E.ON's benefit program in particular.

### **The many faces of a benefit**

When summoning the voices of the respondents, benefits were described in multiple ways. Over all it can be concluded that a benefit was considered something that the employer gives the employees voluntarily, in addition to salary.

“It [a benefit] is something extra, something that the employer offers in addition to salary. It is wide, a benefit can be everything from the possibility to work at home to get a concrete value like an amount of 3000 SEK. But as mentioned it can be an employment- or work- benefit, to be able to work from home or borrow a bicycle if needed.” (Employee)

It was expressed that a benefit does not need to be of monetary value, as long as it has some kind of surplus value for the employee. A benefit can for instance give a feeling of appreciation, a feeling of being seen or give a possibility to do something that the employee would not have done without that particular benefit.

Also access to certain things was mentioned as a benefit, such as discounts, easier access to services such as pension advisor or tax benefits, flexible work conditions, a monetary amount that can be used on benefits, access to something an employee do not necessary need but want and something that is considered useful for the employee. Some respondents stressed that a benefit needs to be easily accessible and flexible to be considered a benefit.

”A combination of me saving money and easy accessibility or easiness, or what to say. That it is easy to get access to it. It can for example be easier to order a gym-card through Plusvalet than going to the gym and order it on my own. It is an important thing. If it takes a lot of time and if it is troublesome I might end up not using it.” (Employee)

This interpretation is interesting, since it highlights the importance of the structure and distribution process of the benefit program as central for how it is interpreted and whether the benefits are used and valued.

### **The benefit program as ‘the icing on the cake’ – a caring organization**

The benefit program was interpreted in different ways among the employees, but one central theme was that all respondents described the benefit program as something positive and some even as something outstanding. Most also described the offer as wide, extensive, generous, static, impressing, more than expected and more compared to what other organizations offer.

“The company is caring, it is positive. We have benefits that are better than at many other companies.” (Employee)

“I would say that it is generous and that it in general is quite diversified [...] I think that it covers a large part of ones personal life.” (Employee)

Some respondents interpreted that the benefit program was an opportunity that should be taken and appreciated, and described it as something extra. For instance some employees described it as ‘the icing on the cake’, where the icing is what is on top of everything else that makes the employment favorable, i.e. the cake. Some respondents expressed that they were grateful to have the opportunity to use benefits.

“They [the benefits] give a lot, I can sometimes feel that I should use them even more, so I think that it is a huge opportunity.” (Employee)

Further, the opportunity to use some of the benefits in the future, if they are needed, was expressed to create a surplus value and affect the relationship with the organization.

“Not that I need help from a psychologist, but I just conclude that if I were to need it, it is there, and that is good. And that you could do yoga and that stuff, if I sometime may think about doing that I could use the money for it.” (Employee)

Many of the respondents did not separate the benefit program from the employer, but talked about the benefits as symbolizing the employer. Being offered and having access to benefits was expressed as valuable since it indicates that the organization cares for them, which gives them a good feeling. The benefits were also considered to be personal since local benefits are offered, which contributed to the view of the caring organization.

“If I would consider moving on to another job, then this [the benefits] is one thing that makes me stay, that I feel that they are a good employer, we have good work conditions, we have good benefits. Well that is something that makes you have a positive view of the employer. Then there is this, that they want the people to want to stay in the organization.” (Employee)

Two respondents' views differed from the view that the benefit program was good and enough. One argued that the employees are offered more benefits than they need, indicating a lavish organization. The other voice stressed the opposite; that there are not enough benefits offered, indicating that the benefit program was unfair and not appealing to all employees. This respondent mainly felt forgotten due to the limited offer of benefits within smaller cities, and talked about the organization as distant. These are examples of how the benefit program impacted the relationship between the employer and the employees.

It was also expressed that the combination of benefits offered indicates that there should be something for everyone. A few respondents mentioned that the offered benefits involve services the employees can use on their spare time, which was also expressed in a quote above. This is noted in a positive sense, since it gives a feeling that E.ON cares about their employees even when they are not at work. Those respondents all expressed a positive and caring view of the organization. Possibly the views of the organization affect how the respondents interpret the benefit program. If they have a positive view of the organization they might tend to interpret the benefit program as something positive, but they also express that the benefits lead to a positive image of the organization.

### **Benefits as part of an exchange relationship**

Many of the respondents acknowledged how both they and the organization could gain from the benefits and that giving benefits is part of an exchange relationship. It was emphasized that the benefit program makes the employees feel good and healthier, which was considered gaining both the employees and the employer. This notion was widespread and besides this, the main reason for why the respondents thought that the organization offered benefits was to make the employees want to perform better, work harder or become more loyal. The benefits were also expressed to affect the relationship between the employees and the organization.

“It is partly to get employees that are healthy physically, but also mentally. They feel a lot better when they are happy and proud of the workplace.“ (Employee)

“Well, it is the classic thing, that they are getting an employee who likes the employer [...] But most of all they get an employee who is pleased with the employer, and those little things may make them happier at work and make them engage more in the company. “ (Employee)

Some respondents talked about a give and take relationship. For example by offering the E.ON account employees might afford to buy new glasses, which in turn will facilitate the work for this employee and that is something the organization also can gain from. Further, employees expressed that having this benefit program leads to a good feeling about the employer, which makes them want to stay within the organization. It was also expressed to lead to satisfaction, a feeling of meaningfulness, healthier and alert employees who can perform better and makes the employees view the organization in a positive manner.

The respondents also expressed three ways in which the organization can gain from providing benefits. Economically they can gain if turnover, absenteeism and rehabilitation costs decrease. Healthier employees as an outcome might also lead to improved performance.

Finally the benefit program can make the employees talk positively about their employer, which would gain the organization's reputation.

“When it comes to wellness, it [the purpose] is of course to maintain the employees so they don't get sick, enjoy work and are mentally in balance in order to do a good job. It is a win-win situation, the whole idea. Wellness leads to increased profit for the organization, both in fewer sick-days and costs for rehabilitation and those things. But it's also win-win that you actually also get it nicer at work and do a better job. Then I also believe that it is partly about attracting employees, retain employees, lower the staff turnover.” (Employee)

When the HR department describe what the organization can gain from the benefit program they mostly emphasize healthier employees, and employees who are proud of the organization. However, they do not communicate any specific actions that are requested in return but rather emphasize that they give the benefits to the employees, which would make them healthier.

“I see a healthier and better way of living, that those parts can be emphasized [in the benefit program] and that is what one [the employees] gives in return.” (Employee at the HR department)

Both among those employees utilizing the wellness account and those who did not there were wide agreements concerning the wellness account as important. The argument for the wellness account was that it would lead to healthier employees, indicating an exchange relationship. However, most respondents among those utilizing the wellness account said that they would have exercised even without a monetary aid to cover the expenses. That they still emphasize it as the most important part of the benefit program may indicate that they appreciate that the organization offers things in line with their interest. This is an interesting aspect that will be elaborated on further in the discussion section.

Some respondents also mentioned that the organization can gain only when the benefits are used while others argued that the organization can gain just from providing the benefits. To relate this to exchange, using benefits was assumed to lead to healthier employees while being offered benefits would lead to positive feelings towards the organization. It seems like there is an interesting connection between this and whether the respondent experience an added value only from having the possibility to use the benefits, compared to actually using them. Those respondents who appreciate having the possibility to use benefits also noticed the value that it will give the organization and their relationship with the organization.

“They are getting happier employees, I believe. And as long as the employees work out and use that specific part [the wellness account] they are getting more healthy employees as well. [...] It might be enough just to offer them, that it is an incentive for recruitment and stuff. But it is of course good if it is used. It is a risk that they will disappear if they are not used.” (Employee)

“I believe that if you don't use them, you don't talk about them that easily. But if the topic is discussed, the most important thing is that you know that you have these benefits. Then it's up to everyone if they want to use it.” (Employee)

The respondents clearly interpreted the benefit program to affect the exchange relationship between E.ON and the employees. It is interesting to explore how and if this relationship is affected by how the employees interpret the benefit program.

### **Benefits: Given, taken for granted or a bribe**

There were some differences in how the respondents interpreted the act of offering the employees a benefit program. Three main interpretations could be noticed: some respondents talked about the benefits as something the organization gives them, others took the benefits for granted while yet others saw it as a bribe.

Viewing the benefit program as something the organization gives the employees was articulated in different ways. Most of the employees having this view emphasized that they were grateful for having the benefits, and they were also those who considered that the employees should give something in return for being offered benefits. Some respondents expressed a good feeling of having the benefit program and knowing that they have the possibility to use them whenever needed. One respondent that currently did not use the wellness account described it as follows:

“[...] I would never pay for wellness myself. Still, I've bought it a couple of times [through the wellness account] [...] knowing that you can feels good.” (Employee)

The possibility to do things that the respondents would not have done without the benefit program was also expressed as value giving since it was a possibility given to them. This is expressed in following quotation:

“I feel that I get encouraged to use them, because the money will disappear otherwise. I enjoy working out, so I like that the account exists. And sometimes feel that I have forgotten to use the money and then I need to buy something. Without it one might not take the step to do those things. [...] Maybe I would not have bought that massage. Now I had some money left and I bought the massage, so I consider it to be good that they almost force employees to do those things” (Employee)

The employees who considered the benefits as an opportunity, a caring gesture or a monetary amount given to them from the organization also interpreted that they should and wanted to give something in return. Some mentioned being more healthy and performing better at work, others expressed that it made them talk positively about the organization.

A second way of interpreting the benefit program was as taking it for granted, and they thought that the organization should provide the employees with benefits. Some respondents talked about offering benefits as taken for granted, while others talked about specific benefits they took for granted, for example free health care. Some employees also took the money for granted, and saw it as their money. They were therefore eager to utilize the whole amount, and one of them expressed that she did not want the organization to get the money back. Others expressed that it was up to them if they wanted to use the money and on what things they wanted to spend the money. The respondents taking the benefit program for granted did not feel that they had to give anything in return to the organization, compared to what was expressed by those who interpreted the benefit program given to them. A few respondents also talked about benefits as an ongoing trend and this was considered to be one of the reasons for why it was taken for granted.

Some respondents expressed that an organization at E.ON's size is assumed to provide benefits to this extent and that it is also because of their size that they can have this amount of benefits. It was assumed that the benefit program comes with employment within a large organization.

"It is talked a lot about it. Many organizations have it and if E.ON would not, one would have thought: why not?!" (Employee)

Among those respondent who interpreted the benefit program as given to them one respondent stressed the importance of not taking it for granted. The reason for this was that not understanding that a counterclaim is required might pacify the employees since they probably do not feel that they have to give something in return. Regarding this we ask ourselves whether a counterclaim, i.e. a feeling of needing to reciprocate, can lead to a feeling of being committed to the organization, increased employee empowerment and viewing the organization as a partner.

The last way of viewing the benefit program was as a bribe. The controlling function was emphasized but not in the sense that the organization directs where the employees spend their money but rather that the organization uses the benefit program to control the employees'



feelings about the organization. A few respondents described it as a bribe to make the employees happy and pleased with the employer.

“One could see it [the benefit program] as a bribe for the employees, in some way it is like that. If they offer something, whether it is a party or the benefit program or something like that, they will gain more energy back from the employee. That's how it is.” (Employee)

To conclude this section, three different ways of viewing the benefit program at E.ON has been presented; as a gift, as taken for granted and as a bribe. What can be put forward here is how these views of the benefit program affect how the respondents experience a symbolic and monetary value of the benefit program. Further it is also interesting whether these different interpretations of the benefit program lead to commitment and how it affects the exchange relation that we previously discussed. Moreover it can be discussed whether an expressed symbolic meaning affects how it is interpreted.

### **Symbolic meanings behind the gesture to give benefits**

Some respondents expressed that the benefit program symbolizes the organizational values, gives a hint of what the organization considers important and tell something about what kind of organization E.ON is. Several respondents expressed that the benefit program symbolizes more than the fact that the organization wants to give them benefits.

“I may think that a company that offers good benefits cares more about the employees in a way. So in that sense it may give an idea of what kind of company it is.” (Employee)

“I perceive that E.ON wants to be quite modern. [...] Modern in the sense that they want benefits and demands to be in balance and consonance with the attitudes in society today. Gender equality, parental leave, wellness, stress and those things.” (Employee)

It was also expressed that the benefit program reflects how the organization sees the employees, or rather how it wants the employees to be. Some respondents mentioned that by offering these benefits it shows that the organization prioritizes health, wellbeing, work conditions as well as the employees' off-work life.

“It is this gesture that they think a bit about the employees' spare time and health. So it is more a matter of a principle that one thinks that the employer should offer some kind of monetary aid for wellness.” (Employee)

Some respondents interpret the focus on wellbeing as the organization showing interest in helping the employees while others interpret it as an indication to start caring for their health.

The focus on health and wellbeing is seen as stimulated by the monetary amount that is given. Some respondents emphasize the act of setting aside money, since it signals that those things are important and that the organization wants their employees to feel good through being healthy. A few respondents stated that the principle to give money is more important than the amount of money.

“The company’s view on the relationship between employer and employees, such things as attitudes to flexible work, wellness, that this is encouraged, that is important. But to get monetary aid to this or not, that isn’t that important. So for me the employer’s attitude to things would have been more important. [...] But I believe that it is more stimulated if a monetary contribution is given as well. Let me put it like this: I would have been just as stimulated with half of the monetary aid.” (Employee)

Yet other respondents mentioned that by setting aside money the employees can use on benefits, directs where the employees are spending their money, and might make them spend money on things the organization considers as important. One respondent expressed it like this:

“I really think the benefit program is good, because it controls the money. [...] I can imagine that if you only would have received 5000 SEK more in salary each year, it is easy to spend that money on other things than wellness. And then the employer does not gain from it either, since wellness makes people stay healthy.” (Employee)

How the respondents interpret the benefit program and what they consider it to symbolize might be affected by how they view the organization. How the symbolism of the benefit program affects how the respondents interpret the image of the organization, and how it affects how they view themselves in relation to the organization will be further discussed.

### **Benefits as a part in an ‘attractive employer image’**

E.ON’s image was mainly interpreted as an attractive, modern and caring employer. What lies behind this image and how it might affect the personal identity of the employees will now be outlined. One respondent described E.ON’s image like this:

“I believe that it [E.ON] wants to be seen as safety, but I also believe that it wants to be seen as a bit sexier than it is. [...] Like Google, the employer that all hyped employees want to work for. But I think they still have a bit to go to get there, but it’s good to strive.” (Employee)

It is interesting to discuss how the benefit program affects and contributes to the image of E.ON as employer. The benefit program was often described as caring for the health of the

employees and supporting a healthy lifestyle due to the extent of the wellness account. Also the discount card was emphasized as adding to a healthy image.

“To get discounts is nice, they [E.ON] focus on healthy things. Once again it should be healthy things and Subway is rather healthy [...]” (Employee)

However, some respondents emphasized that even though they consider E.ON a good employer, they are not always able to live up to their image:

“I have got the impression that they want to be at the forefront, that they care for their employees. But sometimes the processes do not work in the intended way, but deep within I believe that they really care.” (Employee)

“Some things I think we are good at based on what we want, and some things I think we are less good at.” (Employee)

Other than the fact that the benefit program was assumed to lead to more healthy employees many respondents brought up that the benefits affected how they view E.ON as employer. All respondents described E.ON as an attractive employer and most noted that the benefit program contributes to a view of E.ON as a good, modern, attractive and caring employer.

“It contributes to a positive view of the company as rather generous.” (Employee)

Although the benefits were considered to affect E.ON's image, many respondents acknowledged that other things were more important, such as the possibility to develop within the organization, flexibility and the ATF-hours. These things were emphasized as the main reason for why they have stayed in the organization or why they consider E.ON a good employer. The benefits were considered a part but not the most important one.

Some respondents also noted that the benefit program was a conscious move to be seen as an attractive employer. Those respondents talked about benefits as an ongoing trend, that many large organizations use in their image-work to position themselves as an attractive employer.

“I think that it is to make the employees feel well, and that it is a part in their ‘attractive employer image’.” (Employee)

“As said, I think that the benefit program is pure goodwill or image, so I think that it is positive that an employer has it.” (Employee)

That the benefits were considered a tool to attract new employees was a widespread opinion among the respondents.

“Well, today the employees are a competitive advantage. [...] I believe that it is enough to offer them [the benefits]. They may not reach the whole way, but maybe half just because you have them, because then you have a competitive advantage towards other employers.” (Employee)

However, none of our respondents knew about the benefits program before they started to work at E.ON. It needs to be noted that only half of the respondents started their employment after the benefit program was implemented. Nevertheless, all of those considered the benefit program to be a tool to attract new employees or a reason for accepting a job offer at E.ON, even though it was not the reason they applied for a job there.

From a PR perspective, it was expressed that E.ON can gain from providing benefits. If the employees talk about them as a good, attractive, and flexible employer because they are providing these benefits, or if they use the benefits to position themselves as a good employer, it was expressed that they can improve their reputation and attract talented employees.

“That you can show that you have these benefits, that is always attractive. So it's definitely an advantage when they are recruiting new employees.” (Employee)

Interestingly it seems like some of the respondents think of and add a feeling to the benefit program not only when they receive it or use it, but also when they talk about it with people not working at E.ON. Most respondents expressed pride and gratefulness about E.ON's benefit program and assumed that their friends and relatives are jealous. Through getting this feedback on the benefit program from someone not working at E.ON might create a feeling of working for a good employer. This might result in a confirmation of their view of the organization.

”When talking with people who do not work for E.ON, I can tell what kind of benefits I have and compare with the benefits they have. That happens quite often and everyone get jealous of free health care.” (Employee)

As can be observed through the quotations above, some of the respondents talked about the organization as ‘we’, that they were the organization. Others distanced themselves from the organization through talking about the organization as ‘them’. We find this interesting since it might indicate how the respondents consider their self-identity in relation to organizational image.

Further there was a wide awareness among the respondents that the benefit program was used to manage organizational image. However, it was not expressed that the benefit program

through managing the image also affected the employees and their self-identity. This aspect will be elaborated on further in the following discussion.

To conclude the empirical findings, it can be noted that the benefit program was mostly seen as contributing to a positive view of the employer as caring and modern. It was assumed to contribute to the image of the organization and be important for attraction of talented employees. It can also be noted that the act of giving benefits was interpreted as either a gift, taken for granted or a bribe, and that most employees interpreted that the benefits were a part in an exchange relationship between the employer and the employees. These findings will be discussed in the next section in relation to the theories that were outlined in the literature review.

## Discussion

In existing research on employee benefits, providing benefits has been assumed to gain the organization, for instance through increased commitment. An exchange relationship, in favor of both the organization and the employees, has been emphasized in many theories on employee benefits. The exchange relationship has been characterized by the organization giving the employees benefits and expects commitment in return (Eisenberger et al., 1986; Sinclair et al., 1995). In this section we will discuss how existing theories on employee benefits are insufficient to explain the findings in this study, which calls for an integration of more critical organizational research. As showed in the last section, the benefit program appears to contain many meanings and interpretations. The discussion will therefore focus on how the benefit program contributes to and is interpreted within an understanding of the organization, how the exchange relationship is depending on the employees' interpretations of the act of giving benefits and how the benefit program can be used as a control device.

### **The caring organization**

From the perspective of commitment theories, HRM activities such as benefit programs can be used as tools to impact how employees feel about the organization (Sinclair et al., 2005). From a constructionist perspective, the relation can instead be seen as circular (e.g. Alvesson & Willmott, 2002; Hatch & Schultz, 2002): The interpretation of the benefit program can be seen as impacting the interpretation of the organizational image, and the image of the organization can be seen as impacting how the benefit program is interpreted.

Several employees expressed that the benefit program was constructed from what the organization considers important and that it symbolizes what kind of organization E.ON is. Due to this the benefit program can be seen as an expression of the organizational values, as well as the benefits could be interpreted in a certain way due to the organizational values. This goes in line with Hatch and Schultz's (2002) discussion of how cultural symbols act to express the culture of the organization, but how they are interpreted also reflects back into the organizational culture and values.

Most respondents expressed the benefit program as a way for the organization to care for their employees. The benefit program, and especially the wellness account, was stressed to signal that the organization cares for the health of the employees, which was expressed by both the employees and the HR department. The wide range of benefits to choose from may also

symbolize that the organization cares for the individual's needs, since it was stressed by most respondents that there was something for every employee. It was also expressed that the benefit program symbolizes an opportunity, since it provided an opportunity to do things the employees would not have done otherwise, such as have a massage. Also the possibility to use services such as psychological counseling if needed was brought up as an indication of the organization as caring.

Besides being a caring organization, E.ON was also interpreted to be a modern organization following the society. The benefit program was expressed to contribute to this view of the organization. All respondents that mentioned it expressed being a part of this modern organization as something positive, since modern was interpreted as something to strive for.

The interpretation and symbolic meaning embedded within the benefit program may direct the feelings and actions the employees take (Colquitt et al., 2011). How the respondents identify themselves with the organization can be seen through how they talk about the organization. Those who talked about the organization as 'we' or 'us' probably identify themselves with the organization and its identity and want to be a part of the image. If they identify themselves with the identity of the organization it can be assumed that they are more likely to feel comfortable with and agree with the values and culture of the organization. Identifying with the organization and its values may also make it more likely to make sense of the benefit program in the way intended by the HR department, given that they have tried to align the benefits with the organizational values and other organizational practices. This would contribute to a reinforcement of the image the organization wants to put forward.

### ***Benefits supporting the image of the caring organization***

As noted, the benefit program can be seen as a way to reinforce the image of the organization, which was brought up by previous research on employee benefits (e.g. Hillebrink et al., 2008). They have discussed image as important in order to gain a competitive advantage and remain the organization's status. Applying Hatch and Schultz (2002) Organizational Identity Dynamics Model on this benefit program it could show how the benefits were interpreted to reflect the organization's values as well as contribute to and reflect the image of the organization. Our study showed that if the benefits contribute to a certain image of the organization it can be meaningful for the employees as well. If the benefit program supports a view of the organization as an attractive and caring employer, it can help to maintain a consistent view of the organization and bring order to the interpretations, which Weick et al.

(2005) argue is important in sensemaking. However, it could also work to reinforce a negative view of the organization.

Individuals aim at consistency and order (Weick et al., 2005) and the benefit program can be seen as a way to make sense of the organization. It therefore becomes meaningful for the individuals since it helps them to remain their image of the organization. An interesting aspect that was expressed by a few respondents was that when they talked about the benefits with people external to the organization others expressed jealousy. This reaction appeared meaningful for the employees, probably since it confirmed their view of the organization as caring and the view of the benefit program as good and extensive. Due to the desire to bring order to the interpretations, jealousy can fill a function to keep a consistent organizational identity and image for the employees. This in turn leads to a reinforcement of the self-identity and the ability to continue to be proud of the organization. This also goes in line with Gioia et al.'s (2000) argument that image mostly is an internal conception important for people within the organization.

In line with Alvesson and Sköldbörg's (2009) discussion, we argue that how the employees make sense of the benefit program depends on their pre-understanding and the context of the organization, its culture and its values. The employees who interpreted the organization as caring interpreted the benefit program as the organization caring for the employees' health and wellbeing, while those who saw the organization as distant and unengaged in the employees considered the benefit program as not suited for the employees' needs and the amounts too small. This also illustrates how the benefit program became meaningful in how it contributed to the understanding of the relationship between the organization and the employees. It could either work to confirm this relationship or contribute to a new view of the relationship. Whether interpreted organizational image affect employee retention will be further discussed.

### ***The caring organization encourages retention of employees***

Attraction and retention of employees has been described as some of the main purposes with benefit programs (e.g. Ju et al., 2008; Sinclair et al., 1995; Sinclair et al., 2005). Having the image of a caring and modern organization, both the employees and the HR department interpreted it to be a way to attract and retain employees.

In this study, there is a contradiction between how the HR department describes the benefit program as a tool for attracting and retaining employees, while none of the respondents that



entered the organization after the implementation of the benefit program had any knowledge of the program at the time. Interestingly, after being employed they all interpreted the benefit program as a tool for attracting new employees. A possible explanation to this contradiction can be that within the organization the benefit program is stressed to be attractive, as it is talked about in a positive manner and expressed by the organization to be a tool for attracting new employees. So, the pre-understanding that the employees have of the benefit program has been developed within the context of the organization and through that affected by ones interpretation of the organizational identity and image, which is in line with how Weick et al. (2005) describe sensemaking processes. Outside of the organization the reality is different and before entering the organization they did not have any knowledge about the program, hence they could not interpret it in relation to the culture and other organizational practices.

Those respondents who have not been attracted by the benefit program still stress that the benefit program may be important for attracting future employers. Therefore the benefit program can be seen as a tool to retain and reinforce commitment and create a feeling that the employees want to stay within the organization, since the benefit program is attractive and it goes in line with ones values. This taps in to Mayer and Allens (1991) affective commitment. However continuance commitment (Meyer & Allen, 1991) might also be of importance when it comes to the monetary value of this benefit program, which will be discussed later on. Moreover, the benefit program is only a part of what makes E.ON an attractive, caring and modern employer, several respondents stressed that other things such as the work environment, colleagues, career possibilities and the work tasks is what makes them stay.

As can be noted, the benefit program mainly seems to work to retain employees rather than attract them. This may be due to that the symbolic value attached to the benefits is created within the organizational context, and may be difficult to express externally.

### ***The symbolic value contributing to the view of the caring organization***

The symbolic value within the benefit program or the symbolic meaning within the act of giving a benefit program can be seen as contributing to a perceived value. Through the way the benefit program is presented, where it is dedicated an entire homepage while all other information to the employees is presented on the intranet, most likely adds a symbolic meaning in itself, since it indicates that the benefit program is important. Through this it can be seen as the organization acts as sensegivers since it imposes a certain meaning in the benefit program (Gioia & Chittipaddi, 1991).

The respondents talked about the benefits as meaningful in many ways. The benefit program made it possible for some of the respondents to afford or to allow them to buy certain things that they would not either afford or allow themselves to buy without the benefit program. For those respondents the benefits might lead to a continuance commitment (Meyer & Allen, 1991), but it can still be interpreted as the benefit program contributes to the view of the organization as caring. For others it gave them money to spend on other things since they would have bought the services or products anyway. It also made it possible for some to try new activities or services that could for instance facilitate their daily life. For all those employees the benefit program can be interpreted as creating value in addition to the actual monetary value. However, if the benefit program is considered to be a hygiene factor, as expressed by some respondents, the symbolic meaning is probably not expressed enough. The symbolic meaning therefore becomes important for the employee's interpretation of the benefit program, and hence the interpretation of the organization.

Mickel and Barron (2008) stress that by whom, how, to whom, and why a monetary reward is distributed, affects the perceived value. Applying this to the benefit program, who distributes the benefits, it is interpreted as the organization rather than any particular person within the organization. This may be a reason for why it is considered to symbolize the organization and its values. The interpretation of the organization as providing the benefits may also contribute to the image of the caring organization, both through the gesture to give benefits and through the content within the benefit program.

Also the structure of this benefit program allowing the respondents to decide what benefits to spend their money on can contribute to this image of the organization, both since it shows that they care and also since flexibility appears to be a characteristic of the organization and something the employees value. The opportunity to choose and be in control of the accounts may create feelings that can add a symbolic value to the benefits, which will be discussed further in the 'Benefit program as a control device' section below.

Another aspect of the structure is that all employees receive more or less the same benefits. This was described as positive among those who interpreted the benefit program as fair. For them it may symbolize that all employees are equally important, which could add a feeling of the organization being fair. However, among those who interpreted the benefit program as unfair due to geographical circumstances, the benefit program probably symbolizes that those living in smaller cities are not as important as the ones living in larger cities.

The last aspect, why the benefit program is distributed, appears less communicated, but all respondents had formed an understanding of why the benefits were provided. However, the understandings differed between the employees, and differed from the purpose expressed by the organization. This shows how the employees' sensemaking processes works beyond organizational purposes. The interpretation of the purpose also directs how the benefits are interpreted and perceived, which will be discussed in the next section.

### **Giving contains an intrinsic exchange**

In the above discussion it was showed how the employees formed different images of the organization based on the interpretation of the benefit program, but also how they interpreted the benefit program in relation to their view of the organization. Most of the employees emphasized the image of a caring organization and we find it interesting to elaborate on how this image was formed and how it may be related to an exchange relationship, since previous theories on employee benefits has mentioned commitment and exchange as important outcomes with benefit programs (e.g. Eisenberger et al., 1986; Sinclair et al., 1995; Sinclair et al., 2005). The act of giving the employees a benefit program was by some respondents considered to be more important than the actual benefit program and what benefits it contains. The act of offering benefits was interpreted in three ways: (1) As a gift; (2) As something taken for granted; or (3) As a bribe. The distinction between the three may be both blurry and ambiguous, and the same action may be interpreted as both a bribe and a gift depending on who makes the interpretation. The different interpretations had implications for the exchange relationship, which will be discussed below.

#### ***Benefit program as a gift***

Several employees talked about the benefit program as something good they were given, and something that contributed to the view of the organization as caring. These respondents also expressed that the organization was given something in return, for providing them with the benefit program. They expressed a greater appreciation of the organization, that they were proud of working for the organization which they gladly talked about, that the benefit program could be important if considering leaving the organization and that they became more empowered and engaged in their jobs. However, most respondents acknowledged the health aspect as the most important outcome with the benefit program – providing benefits was assumed to lead to healthier employees with more energy to perform a better job. The respondents did not express this kind of exchange relationship as a relationship of commitment but rather a fact. Neither, the voluntary act, that the employees chose to perform

better or became empowered, was emphasized. Rather it was expressed that it comes with using the benefits in the wellness account. In that sense it may not lead to more committed employees but still gain the organization, which was also expressed by the employees at the HR department. This notion makes the extensive focus on commitment in dominant theories on benefits insufficient to explain what the benefit program leads to.

Interesting though is the notion that most employees would have exercised anyway, which would imply that a monetary contribution for wellness would not make the employees healthier physically. This would mean that the benefits in the wellness account would mostly be a monetary contribution to the employees and not lead to more healthy employees. However, as noted earlier, receiving a monetary amount might lead to a surplus value, based on the symbolic meaning of the monetary value. It was even expressed by some respondents that they could gain money from using the benefits. However, the feeling that the organization is engaged in their wellbeing and cares about them was also expressed to lead to the employees being more engaged in the success of the organization and made them want to perform better at work. This interpretation, however, shows that the engagement in the health of the employees could be seen to lead to some form of affective commitment (Meyer & Allen, 1991), even if commitment do not appear to be the main outcome in this organization.

The exchange is though interesting, even if not connected to commitment. Mauss (1990) stresses that a gift carries an intrinsic obligation to give something in return. This would imply that even if something is given as a gift there is an unarticulated exchange involved. In this study it was noted how the HR department emphasized that they give the employees benefits. The giving aspect is articulated both in interviews as well as in written material available for the employees. This choice of word may be due to that they interpret the organization as giving or caring, and therefore they do not need to communicate or inform that they want something in return. However, all respondents talked about some kind of counterclaim that the benefit program implies, which makes it an interesting tension to discuss.

This contradiction between what is communicated and what is interpreted contains two interesting aspects that previous research on employee benefits has not discussed. First, it could be noted that extensive communication about the content and value of the benefits is less important than the individuals' sensemaking processes, if certain feelings and actions are to be produced in return. The study showed how employees made sense of the benefits beyond the organizational intent, which would contradict previous studies indicating the need

for extensive communication of the purpose, content and economic value of the benefits (Gilligan, 2010; Sinclair et al., 2005; Wilson et al., 1985). What is also missing is how communication only is one source among many that affects the interpretations. Second, if viewing a benefit program as a gift, it carries an unarticulated obligation to reply (Mauss, 1990) since the one receiving the benefits is in debt to the giver. Therefore, if an exchange is desired, it can be suggested to act as a sensegiver (Gioia & Chittipaddi, 1991) and emphasize the giving aspect rather than the content and value when communicating the benefits.

Even among those who considered the benefit program as given there were concerns regarding a lack of an expressed counterclaim by the organization. For instance one employee, who considered the amount of benefits as too extensive, talked about the obligation to give something in return as too vague. The anxiety regarding the lack of counterclaim then came from a feeling that the other employees did not consider the benefit program as a gift and part of an exchange relationship, which would imply that the organization is wasting money when giving benefits without expecting anything in return. This respondent might experience a need to reciprocate as more prominent than what other employees experienced. It was interpreted that something more than healthier employees was needed to equalize the gift of the benefit program.

Nevertheless, since many of the respondents interpreted that there was some kind of counterclaim it could be argued that the organization implicitly has managed an exchange relationship without explicitly communicating it. Viewing this from the perspective of gift theory (Mauss, 1990), the organization's emphasis on giving would be a way to manage an exchange relationship due to the universal reciprocal relation that comes with a gift. In the light of that, the expression that the benefit program was too extensive can be a sign of resistance and that the respondent did not consider it possible to give back as much as was given.

### ***Benefit program as taken for granted***

Another way of interpreting the benefits was as something taken for granted that the organization should provide the employees with. This was a perspective also brought up in previous research on employee benefits (e.g. Hart & Carraher, 1995; Weathington & Tetrick, 2000). Assuming Mauss (1990) theories on what a gift contains, the view of the benefits as taken for granted could be seen as the benefit program symbolizing a debt the organization owes the employees. Giving benefits could be interpreted as the organization repaying a debt

to the employees, which the employees have deserved only by working for the organization. If a gift is assumed to contain an intrinsic exchange, the employees take it for granted that the organization should give something in return for their engagement in the organization. In this case the benefit program symbolized a reciprocal gift. This can be illustrated in how a few respondents talked about the benefit program as a monetary amount that was theirs to use, and that they were eager to spend the money so the organization would not get it back.

Assuming theory on commitment and exchange, if employees experience that they are given something from the employer, they would want, need or ought to give something in return in terms of commitment (Meyer & Allen, 1991). However, for those who perceived the organization as unfair or that the money on the benefit accounts was theirs, they did not express that they wanted to give something in return, but rather that they should utilize the benefits as much as possible so it would encumber the organization. Since this contradicts commitment theories we argue that they are insufficient to explain what is going on in this organization.

According to Mauss (1990) there would still be an obligation for acceptance of this gift and an obligation for reciprocity, since one would always want to give more in return to change the relationship of who owes whom. However, this was not articulated by some of the employees. This makes us consider the sensemaking process of the individuals once again. A possible explanation for why some employees took the benefits for granted, talked negatively about them or did not feel that they should give something in return, could be that they did not interpret them as a gift. If not interpreting it as a gift, the individual would feel no need to accepting or appreciating the gift, and therefore no need to give something in return. As discussed before, the interpretations of the benefit program appeared to be influenced by the employees' interpretations of the organization. This illustrates that the employees' considerations about the organization also affects the exchange relationship.

What needs to be noted is that regarding some employees it was difficult to understand how they interpreted the benefits. Spontaneously all employees said that they appreciated the benefit program and considered it as generous, extensive and a sign of the organization as caring. However, later in a few of the interviews it was expressed that the benefits were taken for granted, that they were getting used to them, that the offer was not satisfying or that the amounts were too small. Therefore it could be discussed that even those who did take the benefits for granted and did not value them, still considered them a gift and therefore

expressed appreciation for receiving them, which is obligatory and what we are socialized into according to Cialdini (2007). As noted by Mauss (1990) within the gift is a request for a counteraction, but it is not stated what that act should be. Extensively talking well about the organization may be interpreted as a way to give something in return as well. Some employees interpreted that there was an understanding of what was expected in return, which brings us to the interpretation of offering benefits as a bribe.

### ***Benefit program as a bribe***

A view that emerged during a few of the interviews was that benefits were considered a bribe to make the employees happy and pleased with the employer, and make them more engaged in the organization. One employee considered it to be an unspoken agreement that specific feelings and actions were supposed to be given in return for receiving the benefit program and other similar things from the employer. Another respondent expressed that the absence of an articulated counterclaim could make the benefit program become a bribe since it not always gives a feeling of a wanting to reciprocate, rather that one should give something in return. Considering the benefit program as a bribe would not lead to commitment, and was never expressed that way by the respondents. However, it could still be seen as an exchange since it was experienced that something was expected in return, what was missing here was the feeling of wanting to give something in return.

It may be difficult to distinguish a bribe from an obligation to reciprocate that is embedded in a gift (Lemmergaard & Muhr, 2011). However, if considering how our respondents have expressed it, the actions that are required in return seem to be more clearly articulated when the benefits are interpreted as a bribe. The opinion by one employee that a counterclaim should be more clearly articulated to favor an exchange relationship could however be questioned, since it risks being interpreted as a bribe. What appears to be crucial here is who is gaining from the exchange. If one part gains more than the other it appears to be interpreted as a bribe, but if it is a win-win situation the exchange could favor from an articulated counterclaim. We would also argue that in contrast to a gift, it would be socially accepted to reject a bribe and then not be obligatory to reciprocate.

To conclude, the interpretation of the benefit program as a gift the employer gives the employees was the most emphasized interpretation. To give something may symbolize that the organization cares, which may be the reason for why many also interpreted the organization as caring and wanted to give something in return. According to Mauss (1990) a

gift embodies an exchange relationship, where the one receiving a gift feel obliged to appreciate it and to give something in return, which was also expressed by some employees. However, when interpreting the benefits as something the organization owe the employees and as something that is taken for granted the need to reciprocate was not emphasized. This makes both Mauss (1990) theory of the intrinsic exchange in gifts as well as theories on exchange and commitment (Meyer & Allen, 1991; Sinclair et al., 1995) insufficient to explain this interpretation. The interpretation of benefits as a bribe was also emphasized by a few employees, indicating a more articulated exchange relationship where the employees felt obligated to reply with certain feelings and actions. The conclusion that can be made is that how the employees interpret the organization influences how they interpret the act of giving benefits, which has consequences for how the exchange is understood.

### **Benefit program as a control device**

As discussed, the benefit program may be interpreted in relation to the organizational image or it may contribute to a certain image of the organization. Both through the content in the program, how it is distributed and what it symbolizes may impact how the individuals view themselves, the organization and what feelings or actions they feel that they have to give in return. As has been stressed in the critical literature, HRM activities can be seen as symbolizing the organizational culture and can be used as a tool to create, maintain and reshape the image and identity of the organization as well as the personal identities of the employees (Alvesson & Kärreman, 2007). We argue that this is valid regarding benefit programs as well, which is a perspective dominant research on benefits neglects. Through identity regulation (Alvesson & Willmott, 2002) organizational values can also be stressed and accepted through the interpretations of the employees. How employees position themselves in relation to the organization can then be a result of identity regulation that have affected their self-identity and work-identity, as well as the employees' interpretation of their identity in relation to the organizational identity and image (Alvesson & Willmott, 2002). This would imply that the benefit program could be considered a control device, since it can shape and support an individual's identity. Three aspects that particularly caught our interest were how giving can be a way to control actions, how choosing creates an illusion of autonomy and how the focus in the benefit program constructs the identity of the healthy employee.



### ***Giving to control actions***

As showed in the previous section, if the benefits were interpreted as a gift, a bribe or something taken for granted, it would affect the employees' feelings and actions, and thereby the exchange relationship. According to Mauss (1990) embedded in a gift is reciprocity. By giving something would therefore be considered as asking for actions in return, and putting the person receiving the gift in a position of inferiority and debt. As noticed by Cialdini (2007) the receiver will feel that he/she has to give something in return, independent of whether the gift or favor was requested or not. This would imply a power relationship, where the one who is giving controls the relationship. The only control the receiver has is whether to interpret it as a gift or not, which is a process that is more or less unconscious. If not interpreted as a gift, which could be the case when the benefits are taken for granted, would imply that no actions in return would be required. However, interpreting it as a gift but not accepting or appreciating it would not be socially accepted (Cialdini, 2007). This would make the benefit program a way for the organization to control the employees, since giving benefits contains an unspoken request for a counteraction. Nevertheless, this control is not explicitly articulated but rather something that is embedded in the act of giving.

On the contrary, if the benefit program was experienced as a bribe instead of a gift, it would imply a more explicit way to control the reciprocated action, since it is more or less clearly articulate what is expected in return. Since the one receiving the gift is put in an inferior position (Mauss, 1990), this unbalanced relationship may be even greater if the gift is interpreted as a bribe. This could therefore also give the feeling of being controlled, since the employer is giving something and states what kind of reply that is favorable. What was interpreted as a reply for gaining benefits was to be happy and pleased with the employer and give more energy in return. This could be considered as a way to exercise identity regulation to affect the employees' feelings about themselves and the organization (Alvesson & Willmott, 2002). However, according to (Ryan & Deci, 2000) the motivation to give something in return will decrease if the act is experienced as a way to control the employees. Therefore, we argue, an unarticulated counterclaim would be more valuable than an expressed such, if an exchange relationship is desired.

As showed, giving benefits can contain an exchange relationship where the receivers (the employees) are in an inferior position until an action in return is performed. This would imply that the employees are bounded to produce certain feelings and actions in return, which would make them controlled by the organization. In the following section, however, it will be

discussed how the benefit program also produces feelings of autonomy among the employees, due to their opportunity to choose.

### ***Creating an illusion of autonomy***

Providing flexible benefits to fit each individual goes well in line with how the employees describe the organization internally. Many respondents emphasized the opportunity for career development within the organization, the ability to use flex hours, and the ATF hours which made it possible to take an extra day of at some occasions. Flexibility may indicate that there is no need to tightly control the employees, but gives a feeling of autonomy and this organizational characteristic is evident in the benefit program as well, due to the ability to choose. By giving the employees the option to choose from a wide range of benefits, and paying with the accounts they are themselves responsible for, could be seen as the employer giving the employees a sense of autonomy – they have the opportunity to choose the services or products that fit their specific needs. Many respondents talked about the money as theirs, that they were given the money and that they withdrew them from the accounts. The ability to control the accounts and choose among the available benefits may symbolize that the organization trusts the employees to make choices that are good for them. This may contribute to that the employees see themselves as autonomous and rational, but we argue that this is only an illusion.

Due to that the employees are limited to the benefits included in the benefit program the choices available are fairly restricted. This would imply that even though the employees' experience that they have autonomy to choose it can be seen as they are controlled. This form of implicit control goes well in line with normative control (Kunda, 1992) and neo-normative control (Fleming & Sturdy, 2009) where self-control and norms are more important than rules, regulations and directions. It is especially accurate for how neo-normative control emphasizes that the employees should be themselves and express their interests but implicitly only certain 'selves' are accepted. Those selves accepted would be those compatible with the benefits available. The ability to choose may also make the employees experience control over their own lives, but due to the limited offer it may be seen as a way for the organization to control the employees. This can be both directly through controlling what the employees can spend the money on. It could also more implicitly since the offered benefits may symbolize what the organization considers important, and by utilizing the benefits would mean acting in line with organizational values.

Further being provided with a range of benefits also gives a feeling of maintaining ones identity, since they can choose benefits that are in line with their values and needs. The wide offer may symbolize that the organization knows and cares for their employees even when they are not at work, which could be experienced as meaning-creating since it may align the organizational and self-identity. This feeling could be reinforced when the organization acknowledges the employees suggestions for new benefits or suppliers. An alignment between self-identity and organizational identity can be seen as important for the sensemaking processes (Alvesson & Kärreman, 2007). This alignment can also be seen as neo-normative control due to the blurring of divisions between work and private life (Fleming & Sturdy, 2009). The respondents who stated that the benefit program covers large parts of the private life for instance expressed this.

To conclude, the wide offer may contribute to the employees seeing themselves as autonomous and that their values are in line with the organizational values, but it can be argued that this is also a way to exercise identity-regulation. In the following section it will be showed how identity regulation also contributes to an emphasis on the healthy employee.

### ***Constructing the healthy employee***

All respondents interpreted the organization as caring for and promoting wellness as good for the employees as well as for the organization. Even those employees who did not use the wellness account talked about it as important, sometimes as the most important part of the benefit program. This is not a logical reasoning, but one reason that could explain their thinking could be that the wellness aspect is embedded within the culture of the organization. Allocating a whole account for wellness might lead to an interpretation of E.ON as an employer that encourages healthy employees. This might lead to the employees feeling that they should be healthy and therefore they stress that the wellness account is most important. Talking about the wellness account as something important even though they do not use it can be interpreted as a way for the employees to compensate for not being healthy. By talking about what is desirable might give a feeling of "fitting in".

This could be connected to how normative control makes the employees adopt certain values and behaviors to fit in (Kunda, 1992). In this organization, however, where flexibility and the individual's needs are emphasized, it may rather concern neo-normative control (Fleming & Sturdy, 2009). Due to the design of the benefit program the employees are able to choose if and what benefits they want to utilize, but if they are not using the wellness account they talk

about it extensively to fit in. In line with neo-normative control the individuals are encouraged to be themselves, as long as their selves fit into the organizational identity (Fleming & Sturdy, 2009). 'Be yourself as long as health is important to you' may be an unspoken value at E.ON, or in the society in general. Even if this is not communicated explicitly at E.ON it is communicated symbolically, through allocating an account worth of 3000 SEK for each individual to use on wellness.

If the benefit program is interpreted to emphasize healthy employees it may contribute to a self-view as healthy and an alignment between the self-identity and the organizational identity. Being controlled and 'shaped' by the organization has been shown to shape the personal identity in relation to the organizational identity (Alvesson & Kärreman, 2007). This might be valuable for the employees since it contributes to a feeling of belonging to something healthy, which can make them think of themselves in that way, since they are a part of a healthy organization. For example one employee who talked about the fast food restaurant Subway as healthy may have done so because she wants to see herself as a person who chooses healthy options. The reason for why she interprets Subway to be a healthy alternative might be since she interprets that E.ON encourages healthy lifestyles. Choosing a healthy option provided by the organization can be a way to position her identity in line with the one she interprets as the organization's.

Autonomous, rational and healthy may be attractive characteristics the employees willingly would accept, which makes the benefit program contribute to how they want to see themselves and how they want to be seen. As discussed, the organization can, through identity regulation and the use of discourses (Alvesson & Willmott, 2002) shape the employees to fit the organization. This seems to be evident even if the benefits are not utilized, which makes giving benefits more important than actual usage. The gesture to give benefits also seem to be more important than if the benefits are valued, which contradicts previous research by Sinclair et al. (2005). This was however confirmed regarding gifts in the study by Lemmergaard and Muhr (2011), where they conclude that the act of giving is more important than the actual gift since it is the action and not the content that leads to an obligation to reciprocate.

## Conclusions

This study set out to explore employee benefits from a social constructionist perspective to advance the research field of employee benefits, which has emphasized a functionalist approach. The aim was to study how employees understand and make sense of a benefit program. The study was guided by two research questions: *How do the employees interpret the benefit program?* and *How do the interpretations influence the employee - employer relationship?* To address these questions a critical interpretive interview study was conducted. The process took an iterative and inductive approach where the field studies were alternated with analysis and research on literature on the subject. This process made it possible to notice how existing research on employee benefits was insufficient to explain our findings, which called for an integration of critical organizational theories. This weaving between field studies, analysis and theory reading, and between existing theories on benefits and critical organizational theories, allowed for a reflexive approach to the analysis. In the following section we summarize our main findings and what our contributions are to the research field as well as for practitioners. We also present some suggestions for future research.

### Main findings

This study showed that a benefit program can be seen as much more than a tool to gain committed employees and affect attraction and retention of employees. The main findings will be discussed in the following paragraphs.

#### ***The symbolic value is more important than the monetary value and content***

This study showed that a benefit program can be interpreted to symbolize different things and due to that it may be valued in various ways. It was expressed by the respondents that the benefit program symbolizes the organizational values and image, but it could as well be that it was interpreted in a certain way due to the organizational values and image. That can make the benefit program act as a tool for the employees to maintain a consistent view of the organization, but also contribute to a change of the view. We also found out that the gesture to give benefits was considered more important than the actual content and value, since it signals that the organization cares. Even if the benefits did not match the individuals' needs they were still considered as valuable due to what the benefit program symbolized. This contradicts previous research by for instance Sinclair et al. (2005) and Iles et al. (1990) who stress that the benefits only can be considered as valuable if they match the needs of the individual. How the benefit program is distributed and by who also affects what value the employees attach to

it. The symbolic value associated with the benefit program was showed to affect the perceived value, both positively and negatively.

### ***The interpretations of the benefits affect the exchange***

Depending on how the receiver of a benefit program interprets and receives it will affect the relationship between the organization and the employee, as givers and receivers. Mauss (1990) stress that the receiver is obligated to reciprocate after receiving a gift. However we found that the obligation to return the gift depends on how the gift is interpreted; as a gift, as a bribe or as taken for granted. The interpretations tend to go in line with how the employees view the organization and for those who interpreted it as a gift it was natural that they would give something in return that the organization would profit from. Those who interpreted it as a bribe saw the act to give something in return as forced, and that there was some kind of understanding of how to reciprocate. When viewing the benefits as taken for granted the employee did not see a need to give something in return. It could then be assumed that the individual saw the organization as repaying a debt through giving the employee the benefits, and that the exchange relationship was then neutralized, even if Mauss (1990) would argue that the exchange will never be even. To summarize, we argue that how the benefit program is interpreted will affect the exchange relationship.

### ***Flexible benefits give an illusion of autonomy***

The benefit program could also be seen as an implicit way of controlling employees by giving an illusion of autonomy, which indicates that there is no need to control the employees. Through offering a flexible benefit program where the employees have the ability to choose and being responsible for the accounts themselves the individuals experience that they can be themselves and that the organization trusts them to make decisions, which gives them a feeling of autonomy. On the contrary, it may work as a control device to shape and affect both actions and the identities of the individuals since the accounts are limited to certain benefits. It could both be interpreted as a more explicit control since the allocated money directs where the employees spend their money. Although it could also be a more implicit way to control the identity, actions and feeling of the employees, where the individual experiences that he/she has agency to make choices and control him/herself. This way of controlling employees taps in to the subject of neo-normative control, and how the individuals experience that they can be themselves but implicitly only certain 'selves' are accepted.

### ***The benefit program constructs the healthy employee***

Drawing on Alvesson and Willmotts (2002) model for identity regulation, we could conclude that the benefit program can be seen as a tool for identity regulation. Through the benefit program a discourse indicating that the employees should be healthy was used to affect the self-identity of the employees. As showed in the discussion, all employees talked about the wellness account as important, even those who did not use it. This can be seen as an expression of normative control (Kunda, 1992) and neo-normative control (Fleming & Sturdy, 2009), where the employees are encouraged to be themselves as long as those selves fit into the organizational culture. At E.ON and maybe in society in general, the unsaid value may be 'be yourself as long as health is important to you'. This study showed an example of how organizational practices have implications for the identities of the employees as well as for their alignment with the organizational identity.

To conclude the main findings, a benefit program can be seen as more than a non-monetary compensation. A benefit program can be a tool to reinforce and change the organizational image. Giving benefits can also be a way to initiate an exchange relationship where the employees feel obligated to give something in return. However, the success of the exchange relationship depends on how the benefits are interpreted. It was also concluded that benefit programs might be used as a tool by organizations to control and shape the individuals to fit the organization. However, this was stressed in a positive way since it helps the employees to feel that they are a part of the organization and aligns their identity with the organizational identity. It can also create an illusion of autonomy, which further reinforces the self-identity of the employees, since it contributes with a feeling of possibility to maintain ones' identity.

### **Theoretical and practical contributions**

The main theoretical contribution this research has provided is to show that there is a need to extend the research on employee benefits to contain more perspectives, such as qualitative critical perspectives. As was discussed in the introduction, previous research has mostly been quantitative and targeted to how benefits can contribute to desired outcomes for the organization and not how it impacts the employees. What this research adds is a notion that the suggested causal relationship between providing benefits and organizational commitment, which is emphasized in dominant benefit research, is largely dependent on how the employees interpret the benefits. This interpretation in turn is dependent on how they consider the organization and themselves, as well as how they interpret others' interpretations of the organization and the benefit program. Due to this we argue that existing theories on employee

benefits are insufficient to explain how employees understand a benefit program and what their understanding leads to. Our research contributes to an understanding that the sensemaking processes of the individuals are important to consider when studying employee benefits and that an employee benefit program may impact the individuals and the organization in additional ways than what has been considered before. Further, it also shows that the act of giving benefits may be more important for commitment than which benefits are offered or actual usage and monetary value of the benefits, which contradicts previous research. These findings may be interesting in relation to other HRM practices as well, especially compensations such as bonus programs and performance management programs.

Practically, this study shows that a benefit program does not necessary lead to a certain outcome but it is rather how it is interpreted that decides the outcome. It is therefore important for employers to try to understand how the employees interpret the benefits and what the interpretations are based on. We suggest, in line with Weick et al. (2005) that individuals make sense of impressions in relation to their pre-understandings about the phenomena and the context they act within. Therefore a benefit program can act to confirm and enhance the understanding of the organization if it is in line with its image and culture, but it could also act to change the impression of the organization if it contradicts the image and culture. However, benefits alone may not be enough to change the culture and image of an organization but can rather be a tool among many that needs to act in accordance with each other.

It is also important to acknowledge that what a benefit program symbolizes depends not only on how it is communicated, but rather on how it is interpreted. We conclude that communication is only one source among others where employees form their opinion about the benefit program. Their interpretation is based on their pre-understanding about the organization and its practices as well as how they view themselves, which makes benefit communication unimportant if the sensemaking processes of the individuals are not accounted for. Whether a benefit program is to lead to an exchange relationship or commitment, how the individuals understand and make sense of being given benefits is highly important. The distribution process can be considered important to impose a certain meaning in the benefit program and also affect the self-identity of the individuals. The symbolic meaning and how the benefit program is interpreted can be affected by the employer acting as a sensegiver and trying to impose a certain meaning into the benefit program. We suggest that it is important for organizations to show the symbolic meaning of the benefit program in order to make it



meaning-creating, which both the employees and the employer will gain from. It is also important to notice that a benefit program can create a surplus value for employees even though it does not lead to commitment. Previous research has been insufficient to explain this.

### **Reflections and further research**

What we have aimed at during this thesis is to show that there is a need to look beyond the more obvious outcomes and relationships associated with employee benefits and direct focus on what it leads to for the employees. Since employee benefit programs are becoming even more common in organizations (Hillebrink et al., 2008), and outcomes such as commitment or an exchange relationship is highly dependent on employees' feelings and interpretations, research focus should also be directed that way. Therefore we encourage more researchers to take on an interpretive perspective when studying employee benefits.

What has been discussed in this thesis is how employee benefits may be related to symbolism, image, identity, exchange, control and sensemaking. What this research has not contained is how different groups of employees may interpret the benefit program differently. For instance, interpretations may differ among men and women, and between white-collar and blue-collar workers, which may affect the possibilities for an exchange relationship. Neither has this research devoted interest to the ethical aspects that may be interesting to discuss if viewing benefits as a way to control the employees' feelings and actions. Further, the research context is rather specific since Sweden has an extensive welfare system, which could be a reason for why some of the respondents took the benefit program for granted. Due to differences between countries regarding welfare systems and legal regulations, we consider it important to conduct research in different countries and contexts. It could be speculated if the symbolic meaning and monetary value would be more important in a context where individuals rather than society care for ones security and welfare, since it shows that the employer really cares about the employees. Or it could be the opposite; since they are used to take care of themselves it could be interpreted as the employer interfering with their lives. Both the controlling aspect associated with providing benefits and the ethical considerations that follows, could be interesting areas to further explore.

To conclude, we do not aim to generalize our findings and say that this may be evident regarding all benefit programs. However, we hope that the perspective taken in this thesis will be applicable to future research on employee benefits as well as other forms compensations, and help advance the knowledge of the field.

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