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The Ajax dilemma in the digital age

A case-study about rewards and recognition management and the perceptions of fairness

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Program:	Strategic Human Resource Management and Labour Relations
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Supervisor:	Ulla Eriksson-Zetterquist
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Abstract

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Purpose: Drawing on technological development in the labour market, the purpose of this study is to explore how R&R management for knowledge workers is influenced by the external and internal environment and is perceived in relation to fairness.

Theory: The study draws on the institutional logics perspective, offering a framework for analysing how macro-level ideal systems can influence micro-level practices. This theory builds on the understanding that individuals, organisations, and society interplay in a broader social system where multiple expectations and tensions need to be balanced.

Method: A qualitative case study was conducted, involving 18 one-to-one interviews with HR professionals, employees and managers working within the D&IT domain in a Swedish multinational company. The interviews were analysed using a thematic analysis inspired by the coded theory method.

Result: The result revealed that R&R management was externally influenced by the high competition in the D&IT labour market, by which the challenge of attracting and retaining D&IT professionals was prominent. It was found that social change in terms of social media advancement and work hybridisation has pressured R&R to adapt to a new social context characterised by individualised professional networking. Internally, R&R was influenced by the company's growth and global expansion, for which cost-efficiency and cultural conformity have shaped the local implementation of R&R management. It was also found that social identification to generation, gender and profession shapes different outcomes of R&R management. In the context of fairness, the result revealed that perceptions of fairness draw from a multidimensional, collective and comparative context. Conditions for fairness were identified as when R&R is unbiased, equally distributed, offers positive and negative feedback, and underpinned by fair supportive management. By contrast, unfairness became apparent during salary reviews due to misaligned expectations of salary entitlement or when the company was perceived to exercise favouritism.

Foreword

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Yours sincerely,



Anna Krite Bergström



Christian Oskarsson

Contents

Chapter 1. Introduction	6
1.1 Background	6
1.2 Purpose and research questions	8
1.3 Disposition	8
Chapter 2. Previous research	9
2.1 R&R management	9
2.1.1 Different preferences and effects of extrinsic and intrinsic rewards	10
2.2 Influential factors for R&R	11
2.2.1 External factors	11
2.2.2 Internal factors	12
2.3 Perceptions of fairness	13
2.3.1 Organisational justice	14
2.4 The gap	14
Chapter 3. Theory	16
3.1 The institutional logics perspective	16
3.1.1 Legitimacy and institutionalisation	17
3.1.2 The five assumptions	17
3.2 Multiple institutional logics	18
3.2.1 Ideal logics in professional organisations	19
3.3 How institutional logics influences micro-level processes	19
3.3.1 Identification	20
3.3.2 Contests of status and power	20
3.3.3 Categorisation	20
Chapter 4. Method	21
4.1 Research design	21
4.2 Sampling	22
4.2.1 Access	22
4.3 Data collection	24
4.4 Data analysis	25
4.5 Research quality	26
4.6 Ethical considerations	27
Chapter 5. Result	29
5.1 R&R management	29
5.1.1 Monetary compensations, individual recognition, and social activities	29
5.1.2 Two R&R systems	32
5.1.3 The implementation of R&R	34
5.2 External influences	36
5.2.1 The D&IT labour market and labour regulations	36
5.2.2 Global events and social change	38
5.3 Internal influences	40
5.3.1 Company changes, size and global context	40
5.3.2 Generation, gender, and D&IT professionals	42

5.4 Perceptions of fairness	43
5.4.1 Comparative fairness	43
5.4.2 Elements of fairness in R&R Management	45
5.4.3 Elements of unfairness in R&R management	47
Chapter 6. Discussion	49
6.1 Summary of main findings	49
6.2 The study's findings from an institutional logics perspective	51
Chapter 7. Conclusion	55
Bibliography	57
Appendices	64
Appendix 1. Revised Interinstitutional System Ideal Types	64
Appendix 2. Interview Guides	65
Interview Guide 1. HR professionals	65
Interview Guide 2. Managers and employees	66

Chapter 1. Introduction

In the tale of Homer's Iliad from Greek mythology, the character Ajax is introduced. He is portrayed as a soldier who proves his worth through acts of loyalty and dedication in the Trojan War. However, he is assumed to be unfairly treated by King Agamemnon and his people, who instead extend praise to Odysseus, a soldier better known for his cunningness and charisma. Deeply insulted by this unfairness, Ajax loses his composure and ultimately commits suicide. The moral of this story acknowledges an ancient conflict that still resonates today: "How can we distribute rewards and public recognition without damaging the social fabric?" (Woodruff, 2011, back cover).

1.1 Background

While the tale of Ajax is drawn from fiction, fairness and rewards are still an apparent dilemma for many multinational companies (MNCs) operating in today's ever-changing business environment. With the rapid advancements in technology, digitalisation has brought about significant external and internal changes to organisations. Not only do experts argue that a new generation of workers has entered the labour market, bringing new perspectives on working life and what constitutes attractive work, but also that work has evolved, involving integrated digital technologies requiring new management skills and qualifications (Perry & Strohmeier, 2014). The effects of digitalisation have been argued as both positive and negative, with some jobs being created while others are being replaced. According to researchers, significant effects are noticeable among knowledge workers who have greatly benefited and become appreciated by employers through increased job opportunities and better working conditions. Consequently, this effect has also led to a shortage of technical expertise in the labour market, which has been argued to become a crucial challenge for employers who demand qualified skills for their business proficiency (Mandl, 2021). In Sweden, this issue has also been raised of great concern. Along with the recovery from the Covid-19 pandemic and a progressing economy through digitalisation, The Swedish Public Employment Services (2022) report that the demand for high-skilled labour in the private sector peaked in 2022. Correspondingly, the Swedish Riksbank (2019) had earlier confirmed that Sweden had a historically strong rise in employment rates, although an equal scope of labour shortage has followed. In turn, they describe that it has led to in-demand employees currently being in an advantaged negotiating position for which wages will rapidly increase.

That is along with the forecast of higher market demands and prices, which will put even greater pressure on a growing wage scope. Therefore, this trend becomes of particular interest for business leaders aiming to sustain cost-efficiency and profitability in the labour market, for which their labour costs can estimate up to 80% of the total expenses of their business (Wallace, 2023). Hence, offering an attractive compensation and benefits package can be an essential inducement for employment and employee performance, but it will come with the trade-off of subtracting from the company's revenue (Hamermesh, n.d). For this reason, it becomes clear that in today's highly digitalised and competitive business environment, companies need to prioritise successful and fair rewards and recognition (R&R) management.

Armstrong (2012) describes that a primary condition for organisations to achieve their strategic goals is to exercise fair, equitable and consistent R&R management by referring to the strategies, policies and processes of non-financially and financially recognising the organisational members. Among organisational scholars, it is widely agreed that successfully recognising employees for collective and individual efforts is a key determinant for employee retention, work attractiveness, job quality, and motivation. Oppositely, managing R&R poorly could lead to negative impacts, including frustration, cost-ineffectiveness, and intentions of resigning (Islam & Ismail, 2004; Chen & Hsieh, 2006; Antoni et al., 2015). In terms of fairness, Cropanzano et al. (2007) similarly conclude that “there are two sides to the justice coin” (p.45). One side is negative and causes the organisation to suffer due to provoked deviant behaviour or harmed morale. The other is positive, which instead enhances extra-role behaviour and boosts morale. However, while fair R&R could be a method to ensure the organisation's viability, it can also enable the reproduction of inequality and unfairness (Amis et al., 2020). In this regard, Armstrong (2012) suggests that R&R management is understood to be uniquely conditioned by external and internal factors within the organisation, for example, its culture and people or society and sector. Therewith, it may be elaborated that fair R&R management is more complicated than research suggests, especially with the fate of Ajax at risk. Ultimately, this begs the question of what professionals within companies perceive as the key influences for fair R&R management in the highly digitalised and competitive business environment, or metaphorically put, how do companies cope with the Ajax dilemma in the digital age?

In previous research on R&R, the main focus has generally been on the effects R&R has on motivation and which types of rewards are seen as most preferable. As for those instances where the dimension of fairness has been considered, scholars have traditionally evaluated

fairness in predefined measurements, such as equitable wages and gender representation. Contrary to this tradition, this study will instead rely on the concept of organisational justice by Greenberg (1987) since it focuses on how fairness is perceived by the actors involved. This means that R&R management can further be studied in a context of multiple expectations and demands, for which references to institutional complexity and pluralism became apparent (Ocasio et al., 2017). Hence, with the sociological perspective of institutional logics, the subject of this study will specifically turn to knowledge workers, the currently favoured and in-demand group in the labour market. By using a qualitative method, this study will contribute to two areas. The research field with a sociological perspective, and the practice field with in-depth knowledge about the conditions shaping R&R and perceptions of fairness in organisations.

1.2 Purpose and research questions

The purpose of this study is to explore how R&R management for knowledge workers is influenced by the external and internal environment and perceived in relation to fairness. To fulfil this purpose, the following questions are aimed to be answered:

- 1. What are the perceived external and internal influences on R&R management?*
- 2. How is R&R management perceived in relation to fairness?*

1.3 Disposition

This report will start by reviewing Previous research on R&R management and perceptions of fairness, including what different scholars have contributed to the field. The following Theory section will describe the institutional logics perspective, which constitutes the blueprint as well as the analytical tool for the study. Proceeding to the Method section, the case study's qualitative research design and conduct are presented, as well as its limitations and ethical considerations. Subsequently, the Results section will present the empirical findings, which have been sectioned into four main themes and ten sub-themes using thematic analysis. The study will then proceed to the Discussion section, where the result will be elaborated with support from theory before ultimately closing with the Conclusion section, where the scientific contribution, as well as suggestions for further research, will be presented.

Chapter 2. Previous research

This chapter will outline how R&R management has been previously defined and approached in research, including the perspectives taken to understand R&R management in relation to perceptions of fairness. By reviewing previous definitions, understanding and approaches, this section helps identify what factors may influence perceptions of fair R&R management, which will support this study to contribute new knowledge.

2.1 R&R management

Prior to the 1960s, studies of how organisations reward employees have traditionally focused on monetary compensations, such as levels of income and pensions (Wilson, 2006). Succeedingly until the 1980s, the focus shifted towards the internal labour market, emphasising attitudes towards compensation within organisations (Dulebohn & Werling, 2007). Since the 1980s, research on how and why rewards should be managed has gradually gained popularity, partly accredited to Armstrong and Brown (2006). Their scientific posture is that rewards management must be observed in a holistic sense. Aside from compensations, it must also include long-term investments in human capacities to suit organisational goals. These investments, exemplified through learning and development and increased job opportunities, often empower individuals and promote further career advancement (Armstrong, 2012).

As briefly explained in the introduction, Armstrong (2012) defines rewards management as the strategies, policies and processes of recognising organisational members for their individual and collective contributions. The objectives of rewards management are to develop a performance culture and attract and retain high-quality people, which companies need to remain commercially relevant. In a contemporary context, Perkins and Jones (2020) describe that research on R&R management has generally been drawn from the basis of the employment relationship, traditionally explored under the conditions of exchange relationships and effort-reward bargaining between the employer and employees. They explain that its operationalisation has interchangeably been studied with various concepts but is most commonly used with the terms *intrinsic* and *extrinsic* rewards and related to compensation, remuneration, and rewards systems in organisations. Extrinsic rewards as tangible or transactional incentives with the monetary value offered for work performance, such as salary, bonuses and other non-cash benefits (Perkins & Jones, 2020). Other non-cash

benefits could be tokens of appreciation that hold symbolic rather than monetary value (Newman, 2019; Garvey, 2004). In contrast, intrinsic rewards are intangible, deriving from work's environmental or development-oriented aspects, such as the recognition, empowerment and appreciation offered in learning and development or by leadership quality (Perkins & Jones, 2020).

2.1.1 Different preferences and effects of extrinsic and intrinsic rewards

Previous research shows that the preferences for intrinsic and extrinsic rewards vary across time and space, including people, organisations, sectors and nations. Bullock et al. (2015) argue that the institutional context and societal roles of different public and private organisations impact their distinctiveness. They describe that the “institutional, legal and political traditions of a country determine the extent to which products and services can be exchanged on decentralised economic markets” (p.481), which impacts the spectrum of employee perceptions and the management of rewards. Furthermore, when comparing preferences between intrinsic and extrinsic rewards based on hierarchical status, scholars such as Ederhof (2011) conclude that mid- and top-level managers favour extrinsic rewards, such as bonuses, as opposed to operational managers, who tend to favour intrinsic rewards, such as opportunities for career development. Regarding organisations with a strong element of high-skill management, Rumpel and Medcof (2006) acknowledge that knowledge workers are a special group who tend to have a higher preference for intrinsic rewards. To this, Markova and Ford (2011) confirm that non-monetary rewards strongly predict the knowledge workers' intrinsic motivation, mediating the relationship between rewards, performance and innovation. In this regard, they claim this result contests the previous notions of reward systems, where it is preferably designed based on extrinsic rewards to improve employee performance. Markova and Ford could therefore be seen as one example of many who illustrate that the diversity in reward preferences brings further complexity to the understanding of the relationship between different rewards and their preferred effects.

In connection to this, Antoni et al. (2015) describe that the efficiency and effects of R&R have been explored by many researchers, most commonly in relation to motivation and different behavioural outcomes. However, they argue that researchers, especially those in the HRM field, have often neglected which conditional factors determine the effectiveness of rewards. In research, such as by Manzoor et al. (2021), motivation is shown to constitute a strong mediating variable for the long-term success of the relationship between intrinsic

rewards and performance. They further assert that extrinsic rewards are instantaneous and short-term effective as long as the rewards are in action, concluding that intrinsic and extrinsic rewards should be combined rather than excluded from one another. Similarly, Long and Shields (2010) suggest that intrinsic and extrinsic rewards initiatives must be approached as complementary instead of substitutional. They observed that when rewards are complementarity combined, they have a reinforcing power as opposed to when they are substituted. A similar conclusion becomes evident by Ma et al. (2014), who further elaborates that this result challenges the traditional viewpoint where intrinsic and extrinsic rewards are seen as independently effective. Based on previous research, it thus becomes evident that there is a lack of consensus on how and why companies should reward their employees. Instead, as Antoni et al. (2015) argue, the differences in outcome and effects might depend on a more conditioned relationship from inside or outside the company.

2.2 Influential factors for R&R

Armstrong (2012) argues that R&R management can be seen as influenced by the external and internal environment, suggesting that its design and function tend to be uniquely adapted to the certain environment the organisation operates and relates. In accordance, Rumpel and Medcof (2006) mean that an essential aspect to consider in managing R&R is the individual and contextual differences of specific preferences for the various reward types. Aligning rewards with employee needs and contexts has been proven to be a strong determinant in its later outcome. It is noted by Ramírez and Mannervik (2016) that since the conditional factors on the business landscape are ever-changing, organisations must be able to redefine their strategies to adapt to contextual changes. Conceding that R&R is influenced by factors outside and inside the organisational context, it becomes relevant to the first research question to investigate what results from previous research have arrived at.

2.2.1 External factors

Armstrong (2012) provides examples from companies' guiding principles of what factors influence R&R management, one of which is a British beverage company that states that rewards should “reflect the market in which an employee is based, whether that be geographical or functional...” (p.9). This example suggests that rewards should be adjusted to match each employer's market demands and geographical context. This posture is shared by Perkins and Jones (2020), who added that companies need to coordinate their rewards

management with the needs of their desired workforce to reach their organisational goals. Apart from external influences related to market competition, global events such as the Covid-19 pandemic are assumed to have a moderating effect on R&R. In a study by Wang et al. (2021), the authors explain that remote working, prior to the pandemic was regarded as a benefit granted to the relatively affluent, have evolved into a contingent solution to minimise the spread of the virus, and further into a standard way of working. Despite the advantages of remote work, such as streamlined office spaces, autonomy, and minimised commuting, the authors also discovered negative psychological effects among employees, such as work-home inferences, ineffective communication and procrastination. Furthermore, in relation to digitalisation, Morrell and Abston (2018), who have assessed the work mindset among the millennial age group, argue that social comparison through social media has influenced millennial workers and their willingness to pursue other job opportunities. However, there are conjectures about static mindsets associated with generations as scholars such as Deal et al. (2010) instead emphasise stages in life as determining mindset and willingness to leave.

2.2.2 Internal factors

Considering the internal factors that shape each company's R&R, Armstrong and Brown (2006) claim that organisations must strategise their rewards policies within the constraints of their resources, in other words, the companies must only act in accordance with their resource capabilities. Festing and Tekieli (2021) state that capabilities to dispose of resources on rewards and recognition are heavily influenced by the size and scope of the company, whereby MNCs can exercise rewards management more freely. However, this normally comes with a significant dilemma of choosing whether to find a global alignment of rewards or to appropriate local practices and standards. Apart from coping with cultural differences in a global context, MNCs also need to consider a multitude of personalities connected to demographic differences, such as age. Similar to Badri's et al. (2022) conclusion that stated millennials' tendency to feel more satisfied at work as they receive gratitude and appraisal, Morrell and Abston (2018) claim that the millennial workforce is worth consideration as their representation on the labour market is steadily increasing. Furthermore, they possess a different mindset than other age groups, often associated with environmental consciousness and an awareness of social concerns.

2.3 Perceptions of fairness

In human resource management and organisational studies, numerous research has asserted the importance of considering fairness to achieve successful outcomes of reward management (Heffernan & Dundon, 2016; Cheng, 2014). Cropanzano et al. (2007) describe how earlier studies on reward systems approach organisations as rational economic institutions, following the 'quid pro quo rule' in the employment relationship. Commonly, this refers to what Bloom (2004) describes as the "fair day's wage for a fair day's work" (p.146), which is known to exclude considerations from other perspectives and thus limit organisations from fully succeeding in their people management. Additionally, Bloom (2004) and Cropanzano et al. (2007) argue that social and symbolic aspects can play an additional and equally important role in shaping the employment relationship and its outcomes. In this regard, they explain that employees have higher expectations of reward systems not only to offer transactional compensation but also to reflect the virtue of the reward system itself. Cropanzano (et al., 2007) distinguish this as an aspect of ethical obligation, and Bloom (2004) as a representation of the organisational values and ethics in how employees and their contributions are justifiably honoured.

In previous research, Morrell (2011) adds that employees' overall satisfaction with R&R and its management is commonly assumed to be strongly conditioned by certain perceived fairness and equity elements. Specifically, that is regarding employees' comparisons to others externally and internally and its feasibility regarding managers' abilities to make decisions and hardships that organisations may experience. Cugueró-Escofet and Fortin (2022) similarly illustrate that the differences in norms of fairness and equity tend to guide different people's preferences and judgement of reward management, such as the allocation of rewards. With this, they conclude that the complexity of context and norms displays both an ethical and practical problem for organisations in their efforts to be socially sustainable. That is because a justified common ground always tends to be complicated to find and grasp for all actors involved. This is one aspect that Milne (2007) confirms at the unit and team levels, where the shortcomings of rewards are seen to display in a more problematic and conflicting relationship between equal rewards and equity rewarding. For this, Milne refers to the studies by Milkovich and Wigdor (1991 as cited in Milne, 2007) and Lawler and Cohen (1992 as cited in Milne, 2007), which suggest that team-based rewards risk individual motivation at the expense of perceived free riding or by encouraging competition rather than cooperation.

Khan et al. (2020) further demonstrate this by showing that fairness tends to be shaped by the context and defined by its setting, meaning that inequity and inequality can be acceptable under some circumstances and others not.

2.3.1 Organisational justice

To understand fairness in the context of R&R, scholars with a positivistic approach have used equity theory or social exchange theory to determine the correspondence between employees' input and the outcome of their rewards. However, given the complexity of fairness regarding context and conditions, other scholars with an interpretivism approach have instead relied on the concept of organisational justice by Greenberg (1987), which focuses on how fairness is perceived by the actors involved. Previous research on the organisational justice perspective tends to be dominated by three approaches: *distributive justice*, which refers to the perceived fairness in the allocation of rewards and their outcomes, and *procedural justice*, which refers to how the allocation of rewards is perceived to be fairly managed. The last approach is *interactional justice* which itself includes two subparts, namely the interpersonal part, which focuses on the amount of dignity and respect that is perceived to be communicated, along with the informational part, which addresses the perceived openness of information that is available for all parties (Cropanzano et al., 2007). While referrals to organisational justice in the context of R&R are limited, scholars have either referred to all three approaches or used one separately. For example, Rai et al. (2019) include all three approaches when concluding that employees are more likely to have a strong connection to the company and remain with their employer when they see that fairness is being consistently implemented in allocating resources and the execution of procedures. Other scholars, such as Leineweber (et al., 2020), adhere solely to the interpersonal approach, suggesting that individuals who emphasise how the company treats them have a higher tendency to change jobs if unsatisfied.

2.4 The gap

Given the aforementioned research, R&R and its management can be studied from intrinsic and extrinsic rewards. It is learnt that R&R management has been acknowledged as conditioned by different factors and may vary depending on the explored point of view. This draws on the fact that the judgements of personal preferences or contextual determinants of sector, nation, and organisation usually constitute the role played by different reward types. In turn, this is suggested to bring challenges of R&R being exposed to the diversity of

perceptions where issues of fairness tend to emerge and display consequently. For this concern, various researchers have turned their interest to examine the dimensions of organisational justice in R&R. That is especially in regards to its effects on the distributive, procedural and interactional aspects, whereby the results imply similar conclusions as research of R&R. That fairness is seen to vary and depend on circumstances found both within and outside the organisations shaping its constellation and construct for the diversity of people. Although in this regard, it can also be argued that the question remains of how organisations cope with the Ajax dilemma, for which research seems to forget to elaborate on whether and how fair R&R is even possible to achieve. Given that research on organisational justice and R&R management is limited and inconsistent, further research is needed to fill the gaps. By diverging from the traditional viewpoint of organisations and their practices as rational economic institutions, this study will introduce a sociological perspective and invite exploration of R&R management and fairness with concern for new angles. That is to bring a new understanding of how R&R management can be practised while simultaneously considering the perceptions of fairness. Meaning, in other words, how organisations can address and manage the fate of the Ajax dilemma.

Chapter 3. Theory

This chapter will introduce the theoretical framework of institutional logics which was used to explain the social fabrics interplaying within and outside an organisation from a sociological perspective.

3.1 The institutional logics perspective

The institutional logics perspective is a metatheory deriving from organisational institutionalism, which has rapidly become a point of interest within the sociological and organisational research domains (Lounsbury & Boxenbaum, 2013). The concept of institutional logics was first introduced by Alford and Friedland (1985 as cited in Thornton & Ocasio, 2008), who studied how organisations adhered to contradicting institutional orders by referring to the multiple practices and beliefs faced by social actors in their social contexts. Since then, many researchers have elaborated and developed the concept with different approaches. A common reference is Thornton & Ocasio (1999), who define institutional logics as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality” (p.101).

With this understanding, the institutional logics perspective focuses on analysing different interrelational orders that interplay among individuals, organisations, and society as these coexist in an inter-institutional system, facing multiple expectations and tensions. In this regard, social orders refer to the foundations of values and reasons of different social actors situated in a broader social context. Logics could therefore be understood as the guiding principles, practices and symbols, in turn, which organise, shape and influence social action, cognition and identity. In this regard, the underpinning interest of the institutional logics perspective is to understand the interrelationship of how macro-level frames can influence micro-level practices or vice versa (Thornton et al., 2012). With this, there are five main assumptions to stem from when using the lens of institutional logics in research. However, it is first important to understand the concepts of legitimacy and institutionalisation as they underpin the theory of logics in practice.

3.1.1 Legitimacy and institutionalisation

Institutions can be seen as different organisations of established rules, norms and beliefs that have been repeated to such an extent that their existence is taken-for-granted. This phenomenon is also known as institutionalisation, the process of cultural rules and practices becoming standardised and universal for all actors within the same field over time. To deviate from the institutionalised rules means risking the legitimacy of the institution and, thus, its survival and maintenance due to exercised sanctions (Scott, 2014). In this regard, legitimacy is a core concept in organisational institutionalism, which Deephouse et al. (2017) explain as when an institution becomes fundamentally appropriate and unchallenged on a collective level and in the social system in relation to its norms, rules, meanings and values. To this, institutions will gain legitimacy by conforming to established rules, norms and cultural standards developed over time through acceptability, social validation and institutionalisation.

3.1.2 The five assumptions

By addressing institutional logics as a metatheory, Thornton and Ocasio (2008) emphasise five key principles in theory:

1. Embedded agency, meaning that institutional logic embeds individuals' specific cultures, values and interests, from which they also provide rationale and legitimacy for social behaviour and agency.
2. Historical contingency, referring to institutional logics, radical and incremental development. By this, they can either emerge as new logics or change as existent.
3. Material and cultural foundations, suggesting that institutional logics builds on a material and cultural foundation with social and symbolic characteristics.
4. Society as an inter-institutional system, meaning that institutional logics exists in multiple forms within different sectors of society, where they also become a source of heterogeneity.
5. Institutions at multiple levels, which refers to institutional logics consisting of elements for multiple-level analysis which are, in turn, built on the idea of interdependence.

With these five assumptions, institutional logics can be observed as a foundation of social structure, providing guiding principles that constrain social action and support agency. With this, they are the underlying motivation and justification that define social actors' motives and senses of self, which also becomes the basis of taken-for-grantedness in practice (Thornton & Ocasio, 2008).

3.2 Multiple institutional logics

According to Thornton et al. (2012), the institutional logics perspective primarily separates from neo-institutionalism by acknowledging the multiple and dual nature of institutions and institutional environments. Friedland and Alford (1991) first acknowledged this in modern Western societies, where it was found that different social systems constitute multiple institutional orders with specific logics tied to them. These are known as family, religion, market, state, and democracy, providing different foundations for legitimacy, identity, authority, norms, and others. However, researchers have since tried to understand further how the interrelationships of multiple logics coexistence play out, whether in conflict or cooperation. For example, Reay and Hinings (2009) describe it as being related to the parable of an arena of power and competition, where the rivalry between logics has been found to result in either the domination and subordination of one or the blending of both into a new hybrid version. Ocasio et al. (2017) also add that the interrelationship between more than one logic has been commonly referred to in research as institutional complexity or institutional pluralism. While institutional complexity refers more specifically to how individual and collective actors manage and respond to conflicting demands associated with various institutional logics, institutional pluralism refers to the actual context in which actors are confronted with various institutional logics that may be more or less complementary, enabling cooperation or competition. Research by Almandoz (2012) provides an example of how the plurality of different institutional logics creates complexity in managing organisational issues. The research looks at the establishment of a new bank whereby the founding members adhere to competing logics. While some founders were embedded to adhere to community logics signified by group membership, common values, and reciprocity towards society, others were more likely to adhere to financial logics exemplified through maximising financial outcomes. The study suggests that it is possible to estimate the different organisational outcomes by linking its members' motivation, values, or goals to ideal types of institutional logics in organisations (Almandoz, 2012). Hence, as inspired by this approach,

this study will use this understanding of institutional complexity and pluralism of multiple logics to analyse how R&R management and fairness coexist in conflict or cooperation.

3.2.1 Ideal logics in professional organisations

Related to the aforementioned, it is commonly assumed that professional organisations must find a balance between multiple logics in their inter-institutional system, especially those at global levels. One established method of analysing the representation of institutional logics is through ideal types, as inspired by Weber's (1978, as cited in Ocasio et al., 2017) ideal types. These are meant to be exaggerated representations of phenomena and not exact models of societal belief systems. By referring to a table chart (see Table 1, Appendix 1) which maps out the ideal logics (X-axis) and their cultural symbols, beliefs and practices (Y-axis), researchers can interpret and catalogue empirical findings in a systematic way to see what institutional orders social actors are bound to (Thornton et al., 2012).

In professional organisations, Goodrick and Reay (2011) suggest there are primarily four ideal logics: market logic, professional logic, corporate logic and state logic. In market logic, organisations tend to rest on competitiveness and free trade principles, whereof the individuals are primarily guided by self-interest for profit and status in the market. Similarly, in professional logic, social actors are also driven by personal capitalism, signified by increased profits and relational networks of professions. With this, individuals are guided by norms of reputation and the legitimacy of expertise and craftsmanship. In corporate logic, organisations derive from a top-down bureaucratic hierarchy, instead rooted in managerialism, organisational culture, and employment norms. Lastly, in state logic, organisations rest on the mechanism of state control with principles for democratic participation and citizenship norms (Goodrick and Reay, 2011; Thornton et al., 2012).

3.3 How institutional logics influences micro-level processes

When addressing institutional logics on a micro-level, the focus is turned to the importance of social actors, where processes of cognition, power, interest and identities are put at the centre of institutional persistence or change. To this, the interplay between institutional logics and society, organisations and individuals is crucial for producing opportunities or constraints on social agency, where it also becomes a source for reproducing certain practices (Thornton et al., 2012). In this regard, Amis et al. (2017) explain how institutional logics can be viewed as the material product of societal norms and the symbolic conveys of legitimacy enacted in

micro-level activities. For example, they observe how income inequality tends to persist and increase over time through society-level policy-making and corporations' activities. In this case, it was responses to market logic principles of free trade in the UK, leading to increasing wage differences within organisations in the financial sector. Hence, to understand this interplay, Thornton and Ocasio (2008) point to four ways in which institutional logics influences micro-level activity. That is through identification, contests of status and power, categorisation and attention. However, it should be noted that the aspect of attention will not be a focus of the study since the departure is not to focus on the analysis of strategic decision-making.

3.3.1 Identification

The first way institutional logics influences individuals and organisations is by being linked to the collective identity of an institutionalised group. For example, ethnicity, gender, or other associated groups related to any organisational form, profession or industry. The meaning of group identification is that it leads to cooperation among members with perceived common status by which they can protect their own interests and consensus of shared identity. In this regard, an institutionalised identity means that the group develops their own prevailing institutional logic to which the members must adhere. Thus, also shaping their later cognition, culture and activity formations (Thornton & Ocasio, 2008).

3.3.2 Contests of status and power

Secondly, power and status are regarded as mechanisms for social actions, which in turn, are conditioned by the prevailing institutions and their logics. In this regard, institutional logics is the foundation where power and status can be maintained and reproduced by social actors. In this regard, institutional logics defines the rules of the game and will, by that, also shape how the competition for power plays out in the social system (Thornton & Ocasio, 2008).

3.3.3 Categorisation

Lastly, another mechanism of institutional logics to shape individuals and organisations is through social cognition. That is, more specifically, by social classification and categorisation of institutional forms and social actors, of which logics provides meaning and purpose. In this regard, such influences become apparent in the context of competing or blending logics. Since a changing nature of institutional logics means changing existing categories with new classifications, meanings, and purposes (Thornton & Ocasio, 2008).

Chapter 4. Method

In this chapter, the methodological choices made to conduct the study are presented to offer insight and understanding of the complete research process and its practical steps, as well as to validate the research quality and ethics.

4.1 Research design

In this study, a qualitative research design was chosen since it offered a reflexive, flexible, open and emergent approach to the inquiry. It was aimed to explore more of the inwards of the study's themes, R&R and perceived fairness, by considering the complexity of different perspectives from which both themes can be understood. In this regard, qualitative research is known for investigating the why, what and how with explanatory power deriving from words and images rather than examining what and how many to establish statistical predictions. Hence, a qualitative design aims to generate a more unique, in-depth understanding of the studied subject and provide a more detailed insight as explored from different participants' points of view (Ormston et al., 2014). Therefore, it was an appropriate design to generate new in-depth knowledge on R&R management and perceptions of fairness needed to fulfil the study's purpose and contribute with further insight into the research field and practice.

Furthermore, it was deemed valuable to add a case-study approach in which R&R and perceived fairness could be specifically explored from multiple perspectives but as deriving from the same context (Lewis & McNaughton Nicholls, 2014). For this, a private multinational company operating in the manufacturing industry in Sweden was chosen for which respondents of different job categories could share diverse and nuanced perspectives on the same subject in the same context. Thus, enabling the inquiry to be even more focused, intense and detailed, which in turn provided meaningful insights to answer the research questions (Lewis & McNaughton Nicholls, 2014).

An abductive approach was chosen for the study's logical reasoning, meaning that continuous inferences from previous research have been drawn to generate new understandings of the themes. This also meant that the data was de- and recontextualised throughout the analysis without any assumptions of expected outcomes or theory but instead compared with various previous scholars that were relevant for arriving at new ideas or conclusions (Reichertz, 2014). However, to initially have a point of departure for understanding the study's inquiry

and context, a sociological approach was taken, specifically, the institutional logics perspective from which new ideas could be initiated or introduced.

4.2 Sampling

This study aimed at a non-probability and diverse sample, meaning to embark on individual differences to generate more nuanced and diverse insights on the study's themes. Purposive sampling was thus deemed appropriate, which Ritche et al. (2014) describe as when participants are identified based on predetermined features or characteristics which align with the research's specific aim and inquiry. In this study, it was important to identify the characteristics that were specifically critical for the role played in R&R management within the case company (Ritche et al., 2014a). This was done by searching for respondents based on their work location, level of job position, and role within R&R management. However, Lewis and McNaughton Nicholls (2014) add that it is essential in a case study to make a proper selection of participants who are representative of the explored case and its context. Therefore, it was viewed appropriately to specifically focus on Data science and Information technology (D&IT) knowledge workers, their managers and HR professionals involved in R&R management, all of whom work in the Swedish branch of the company. With this, the sampling method could offer enough consistency for the cases to represent their job categories but also enough diversity to be compared as both individuals and together in groups (Lewis & McNaughton Nicholls, 2014).

4.2.1 Access

Due to the study's case-study approach, first-hand access to the field took place with support from a gatekeeper working within the case company (Ritchie et al., 2014a). After the gatekeeper agreed and permitted access, internal registration with a company email was provided for the researchers to contact the sample independently. Subsequently, the basis for identifying respondents was using the internal intranet, mapped by the organisational chart, where respondents could be contacted separately by email.

In qualitative research, the sample size tends to be small, instead aiming for personal, detailed and in-depth knowledge found in a few cases (Ritchie et al., 2014a). In this study, 18 respondents participated. These respondents were grouped into three subcategories based on their job positions, whereas the size of the subgroups varied depending on when saturation was found. It should be clarified that while all three subgroups could be labelled as

employees, the referral to employees in the context of this research project refers specifically to D&IT knowledge workers. See the presentation of respondents and their positions, as well as the final size of subgroups, in Table 2. In this table, details about personal characteristics, such as gender, age and service length, were chosen not to be disclosed to ensure the anonymity of the respondents both within and outside the company. It should be noted that these characteristics did not constitute a basis for analysis in this study, but rather they were used to create a representation of heterogeneity in sample criteria.

Table 2. Respondents and final size of subgroups

Number of respondents	Job position
Respondent 1	HR professional
Respondent 2	HR professional
Respondent 3	Manager
Respondent 4	HR professional
Respondent 5	Manager
Respondent 6	Manager
Respondent 7	Employee
Respondent 8	Employee
Respondent 9	Employee
Respondent 10	Employee
Respondent 11	Manager
Respondent 12	Employee
Respondent 13	Manager
Respondent 14	Manager
Respondent 15	Manager
Respondent 16	Employee
Respondent 17	Manager
Respondent 18	Manager
HR professionals = 3	Managers = 8
	Employees = 7

4.3 Data collection

One-to-one interviews were chosen as the method to collect primary data. Lewis and McNaughton Nicholls (2014) describe this as an effective method which enables exploration of the individual's constructs of context and experiences as expressed through their own narrative. That is in a way which can capture and frame both the sensitivity and complexity in interpretations through which the phenomenon exists and is perceived. Thus, being a method deemed appropriate to answer this study's purpose and explore different interpretations and perceptions of the study's themes.

The completed data collection involved 18 interviews, whereas 15 took place digitally via video conference and three in person at the company's locations. A room was booked for all interviews held in person to ensure privacy and secrecy and minimise disturbances or other distractions. Each interview took approximately 45 minutes and was recorded and transcribed after the meetings with permission confirmed beforehand. During the seven interviews held together, it was decided to have one researcher responsible for leading the interview while the other took notes and administered technology. However, during these, both researchers took part as active listeners to show respect and facilitate comfort and further exploration (Yeo et al., 2014). Furthermore, all interviews were prepared and held with the support of an interview guide consisting of clear, mapping and open-ended questions that were made to align with the study's themes. Nevertheless, to cover what Yeo et al. (2014) describe as "breadth of coverage across key issues, and depth of content within each" (p.190), the technique of probing was used in combination with the interview guide. This facilitated enough flexibility for each respondent's narratives to be uniquely explored by allowing for active follow-up questions aimed at clarifying and keeping to the subject (Yeo et al., 2014). Added to this, two interview guides were created for the study to answer the research questions appropriately. One was aimed at those who perform R&R management, such as HR professionals. The other is those who receive R&R, such as managers and employees. As presented in Appendix 2, the two interview guides appear similar with the exception of the fourth question, where the one intended for HR professionals asks how the company rewards and recognises its employees, and the other one what their experiences are of the company's R&R. This distinction of the fourth question was made in the beginning stage of the interview phase since it enabled HR professionals to provide a description of the company's R&R based on their field of expertise.

4.4 Data analysis

Once the data collection had reached the point to which no additional viewpoints were provided, it was determined that the study had reached the saturation needed to proceed with the analysis (Charmaz, 2014). To this, a thematic analysis was used as an analytical method of which the researchers aimed to discover, interpret and report patterns and clusters of meaning in the dataset. In other words, this meant segmenting the findings into different thematic categories, which helped to keep the analysis connected to the originality of the data (Maxwell & Chimel, 2013; Willig, 2014). The coding method was partially inspired by the grounded theory method, which divides coding into two phases. Firstly, using initial coding, the material was openly explored by comparing and connecting its content through labelling. In the initial coding phase, attention was given to the descriptive features the participants expressed, which, apart from words or phrases, included prosodies and interjections, such as tone of voice, rhythm and intonations (Yeo et al., 2014). Secondly, using focused coding, the initial labelling was reduced and segmented into categories, representing core patterns of the developed themes found in the total dataset (Thornberg & Charmaz, 2014). See the final thematic coding scheme, including the main themes and subthemes in Table 3.

Table 3. Final thematic scheme

Main theme	Subthemes
R&R management	<ul style="list-style-type: none"> ● Monetary compensations, individual recognition, and social activities ● Two R&R systems ● The implementation of R&R
External influences	<ul style="list-style-type: none"> ● The D&IT labour market and labour regulations ● Global events and social change
Internal influences	<ul style="list-style-type: none"> ● Company changes, size and global context ● Generation, gender, and D&IT professionals
Perceptions of fairness	<ul style="list-style-type: none"> ● Comparative fairness ● Elements of fairness in R&R management ● Elements of unfairness in R&R management

Furthermore, one extracted example of the initial and focused coding scheme is presented in Table 4. In this table, the development of the main theme of Internal influences is illustrated, showing how the subtheme regarding generational differences was developed during the coding.

Table 4. Example of the coding scheme.

Transcript	Initial code	Focused code	Subtheme	Main theme
There are many, especially in the young generation, who think it is important that they do good work for a higher goal	Young professionals with different mindsets	Purposeful work	Generation, gender, and D&IT professionals	Internal influences

4.5 Research quality

The data collection in this study has been exercised with caution to generate well-founded and trustworthy evidence for assessments. Flick (2007, as cited in Barbour, 2014) argues that “discussions about the quality of qualitative research are located at the crossroads of internal needs and external challenges” (p. 496). This points to the fact that qualitative researchers must overcome the challenge of passing fundamental quality checks to gain acceptance in the academic community. It includes striving for reliability by ensuring rigour when conducting interviews. This was done by exercising so-called ‘member checking’ and ‘respondent validation’ (Barbour, 2014). Questions posed to different participants were thus read out verbatim from the interview guide to avoid misinterpretation. Furthermore, as each interview was approaching the end, the respondents were informed that they were entitled to review their transcripts in order to propose alterations or adjust potential missayings or statements taken out of context. The respondents were also asked if they could be contacted in the transcription stage should any vital information be inaudible. It should be noted, however, that there was no such need for correction from either the respondents or the researchers. However, when transcribing the interviews, the researchers reserved the right to edit out repetitions of words or minor interjections, such as “eh” or “uhm”, provided that they were not intentionally uttered by the respondent to accentuate a statement. The question of validity was meticulously considered throughout the study. Lewis et al. (2014) define validity as the extent to which findings can accurately reflect the phenomenon being studied. As a measure to attain such validity in this research, an initial peer-debriefing session was scheduled with a disciplinary colleague from the university who assisted in interrogating and providing suggestions for refinement, for example, when determining the feasibility of the research

project or when designing the interview guide suitable for its intended purpose (Lewis et al., 2014). Upon completion, the supervisor at the case company, along with an associate, were able to review the finalised version of the research project to ensure confidentiality and that the result truthfully reflected the reality within the company. The supervisor of this study was additionally authorised to confirm the research quality, thus approving its later submission and publication. Moreover, when formalising the discussion, the researchers were observant to avoid over-generalisation and suppositions that exceeded the confines of the setting for this particular study. The limitations of this study are thus stated in section 4.7 below.

4.6 Ethical considerations

Throughout the research process, ethical issues were continuously considered by following five ethical principles. It was to ensure that all kinds of participation were worthwhile and reasonable, did not risk exposure or detrimental consequences, were based on informed consent, were completely voluntary, and guaranteed confidentiality and anonymity. It also meant that the ethical conduct of research was considered by continuously preparing and acknowledging the reflexivity and flexibility needed for managing the research methodology appropriately. It included special attention to the thoughtfulness of every respondent and their unique situations during the research process (Webster et al., 2014). By considering this, all respondents were sent an information letter about the study, its content, process, and terms of ethical conduct as an invitation to participate in the study. On each occasion of the interviews, an oral confirmation of this information and consent was additionally presented and established with the respondents. Furthermore, to ensure confidentiality and anonymity, all respondents and other exposed sensitive information were anonymised in the transcribed interviews and given pseudonyms. All recordings were protected on password-protected computers and were deleted after the results were finished. Moreover, since the study was chosen for a qualitative research design, it was considered that the researchers were co-participants. Meaning that the relational interplay between researchers and participants and the potential data misinterpretation was taken into concern during the research process (Willig, 2013). In this regard, all respondents in the study were entitled to review their transcripts and withdraw their participation at any time.

4.7 Limitations

According to Lewis et al. (2014), it is essential to assess questions and limitations concerning the research conduct and design to validate the quality. For this particular study, concerns

revolved around the sample size and representation. To manage this, it was ensured that every respondent would be included in the results section. However, some respondents were more cited than others due to longer work experience in the company in Sweden. While the case study approach allowed for a detailed examination of the respondents, it also raised questions about whether the study's findings could be applied to other organisations or perspectives. However, the researchers concluded that including a larger sample size or different perspectives could have compromised the study's validity. In addition, expanding the framework beyond the scope of the study's time and resources may have negatively impacted the research's reliability and ethical considerations.

Chapter 5. Result

In this chapter, the main themes found in the thematic analysis are elaborated to present the findings of how R&R is influenced by the external and internal environment and how this is perceived in relation to fairness. Throughout this section, inferences from previous research were drawn to compare the respondents' statements based on what has been previously investigated.

5.1 R&R management

5.1.1 Monetary compensations, individual recognition, and social activities

When asking the respondents how they defined R&R given their own experience at the company, three forms of R&R were identified: monetary compensation, individual recognition, and social activities. Monetary compensations were typified through salary, bonuses and shareholdings and were regarded as the most determining condition for working at the company. When asked to define what R&R meant to them, respondents emphasised the importance of "money". For example, Respondent 9 (Employee) explained that "I work to earn money too, so that's the main thing... I prefer to talk about money. I think that good words don't get you very far as an employer. But there they will have to 'cough up'". Similarly, other respondents drew on the assumption that they simply would not work for the company if not for monetary compensation, regardless of what other benefits are offered. However, apart from monetary rewards, Respondent 4 (HR professional) mentioned that the company offered additional perks such as company cars granted only to a privileged few. Other compensations were tokens of appreciation, such as cinema tickets, vouchers or flowers on celebratory occasions. Respondent 6 (Manager) and Respondent 16 (Employee) emphasised that these tokens do not have to be "big and advanced" but can be "impactful" and evoke a sense of appreciation among the workforce. The symbolic importance of these tokens, as expressed by the respondents, coincides with the findings by Garvey (2004), who states that these tokens of appreciation tend to send a message of appreciation which could foster an encouraging company culture. However, as Armstrong (2012) states, the circumstances for which these types of rewards are distributed matter for their efficiency since it corresponds with the amount of effort the employee has put into it.

Regarding non-monetary rewards, the findings displayed rewards aimed at recognising individual work efforts. These were described as intangible incentives, including learning and

development opportunities, endorsements and job rotations, which all stimulate professionals to develop and promote further career advancement. To this, the respondents also discussed how non-monetary rewards could vary from feedback in everyday work to more permanent recognition, such as a promotion with a new title or increased responsibility. Respondent 10 (Employee) exemplified how such permanent recognition could be personally beneficial since it offers opportunities to expand one's professional network. They described that as a result of performing a specific work, "...you will be getting more responsibilities and you'll be getting more connections because you have done something out-of-the-box". Other respondents, such as Respondent 8 (Employee), noted how compliments on everyday work could signify individual recognition since the manager or colleague then takes notice of the employee's contributions. In this regard, the findings showed that being recognised meant being "seen and heard", which was described as necessary for the respondents to feel useful and needed in their work. However, findings also showed that there could be different views on the appropriate setting for extending recognition. For example, Respondent 6 (Manager) suggested that public appraisal carried a certain social prestige. Receiving appraisal in front of peers may not be appreciated by all, as some respondents valued discretion when being recognised by superiors.

Apart from monetary compensations and individual recognition, R&R of a more social nature was raised collectively for specific teams to share. Examples were social group activities such as coffee breaks, lunch, conferences, or events. According to Respondent 13 (Manager), social rewards could support creating a positive work environment, which could be seen as challenging sometimes, given the global environment. Although this manager did not perceive it as directly problematic, other managers have mentioned that social rewards have gradually decreased due to restricted budgets and reorganisations. Consequently, another manager, such as Respondent 15 (Manager), retold instances where managers tend to cover all or some expenses for social activities themselves,

And sometimes I put from my own pocket and my team doesn't know. Many times I just went and found something nice, and it was just to have something as different as say, "Yeah yeah, it's the company!" and it's not the company, it's from your pocket and I know that some colleagues of mine do the same, and that's the way it is.
(Respondent 15, Manager).

The respondent continues by asserting that it is necessary, and a given right, for managers and their teams to celebrate achievements to convey that their joint efforts are paying off.

Similarly, Respondent 17 (Employee) claims that simply abstaining from these social activities with teams makes work impersonal, which is already the case due to a geographically scattered workforce.

The aforementioned findings reveal that it is possible to identify the different R&R types using the two distinctions Perkins and Jones (2020) describe as intrinsic and extrinsic rewards, although with the addition of social activities that could be labelled as either or both. Rumpel and Medcof's (2006) research on reward preferences for knowledge workers could explain what the respondents deem as the most vital. They claim that intrinsic reward types are typically favoured by knowledge workers, which corresponds with the statements from Respondent 10 (Employee), who enjoyed intrinsic rewards in terms of more responsibility and broader connections. However, this was not shared by all, as one mid-level manager (Respondent 18) exemplifies. The mid-level manager presumes that the preference for intrinsic rewards, such as further career advancement, decreases once you "hit the roof" of your growth potential, meaning that extrinsic rewards, such as higher salary or more time off work, become more prioritised instead. The findings by Ederhof (2011) could further explain why this is the case since this claims that mid-level professionals tend to prioritise extrinsic rewards more than entry-level professionals since the incentives for promotion decreases as one climbs the corporate ladder. Following this, it was observed among some of the respondents that numbers had an important value in extrinsic rewards, meaning that the degree of received recognition was expected to correspond with one's salary. Respondent 4 (HR professional) resembled this as having a "receipt" for what one has done,

But from what I experience, it is not enough to hear that you are doing a great job and that we really appreciate you, and you are one of our talents because we want it. You want a receipt for it, and then monetary receipts are often what you want.
(Respondent 4, HR professional).

This presumption that monetary gains must accompany verbal appraisal is related to Long and Shields (2010) and their notion of reinforcing powers which states that intrinsic rewards cannot substitute extrinsic rewards or vice versa. Instead, they must complement each other to evoke motivation and see long-term effects. The same attitude could be resembled by Respondent 9 (Employee), who stated that the employer must "cough up" and that it would be unreasonable to work for the company if monetary compensations were left out, or to quote Long and Shields (2010), "[money] serves as a means through which employees can satisfy important human needs" (p. 1148).

5.1.2 Two R&R systems

When asking the respondents how the company currently manages R&R, two different reward systems were mentioned. One aimed at identifying and recognising exceptional talent, the other at regulating the overall compensation among job positions. The talent system was described as focusing more on intrinsic rewards by promoting opportunities for growth, development and learning, and the compensation system on extrinsic rewards by supporting wage setting and distribution. Both systems were called “box systems”, where managers grade and map employees on a multiple-level scale based on their perceived performance, potential and seniority. By this, the employees are put in separate categories, classified with different performance levels, such as good, adequate, exceptional, or similar. In turn, these are aimed at supporting managers in their evaluation and decision-making during, for example, internal recruitment, competence development or in salary reviews. However, while the compensation system was said to be mandatory, consistent and involving all employees, the talent review was instead described as voluntary, inconsistent and involving a selected few. To this, Respondent 9 (Employee) described how the talent system tends to vary depending on, for example, the employee, manager, or other events occurring in the company. Although, both systems were still said to constitute the basis for wage setting.

When further elaborating on the talent system, respondents mentioned that being boxed as talent could be highly advantageous for future opportunities and connections since it offers increased visibility within the company. Respondent 13 (Manager) elaborates on this talent promotion,

... so that they themselves see other parts and are seen so that the day, hopefully, when they choose to take a bigger step, quite a few people know who they are. So if they later apply for a slightly more challenging position, people know who they are.
(Respondent 13, Manager).

The respondent said that the current R&R system allows talents to gain notoriety from their colleagues, which is useful when they take on more demanding roles. Although, it also became apparent that the talent system had disadvantages. Respondent 14 (Manager) expresses how there has been rumoured confusion around the system and its process, whereas top management has seemed to criticise and put down the idea entirely. The respondent stated, “ ... now maybe I haven't really understood how everything works. But I've heard that you have, like, they have tried to introduce this talent review process, but it has somehow not worked, so they have dissed it instead”.

When discussing the compensation system in contrast, the respondents referred to it as the official salary model, defining the precise salary levels employees are entitled to in their roles. It was observed that this system had many aspects tied to it, whereof performance and fairness were two important. For example, Respondent 4 (HR professional) described that “performance is a clear parameter in how you are rewarded, and it is an important part in our salary model and which I think is fair”. To this, it was also observed that the box system was thought to support performance-based pay fairly since it made the assessment both objective and equally judged, as Respondent 6 (Manager) explained when asked what they thought fair R&R meant to the company,

To do it according to the same criteria so that it is not judged unfairly. That “You deserve this because you have worked for the company for 40 years. It's clear you must be a senior”. It should be what is delivered. **(Respondent 6, Manager)**.

However, similar to the talent system, the compensation system was also described as having downsides. Among the managers, inflexibility was a significant barrier, especially concerning the global context when comparing roles across countries or employees within the boxes. With the latter, it was mentioned that the wage span within each box is limited with a closed ceiling and abstract role descriptions, making it problematic to find a proper fit between performance and a balanced wage level, which Respondent 14 (Manager) illustrated,

Because we have a problem ... because we can only look at country by country. So that it is very country controlled, and that means that we, as managers who have staff in different areas. We don't see the big picture. We are not allowed to ... We can't look at comparisons like a global position, and we all agree that it's a handicap. **(Respondent 14, Manager)**.

The respondent continues by remarking that the wage levels differ depending on the country, where a rating of five in one country could be equivalent to a seven in another country. Festing and Tekieli (2021) acknowledge the challenges for MNCs and managers, particularly when balancing pressures on each local level with the alignment of company standards. The authors' data suggest that while adapting to local regulations is rarely negotiable, the easiest approach for managers is to adapt rewards management to company standards whenever possible. Related to this, Respondent 12 (Employee) added that the company's performance assessment and wage setting practices become a strictly governed process which leaves little room for adjustment, thus allowing managers to avoid taking responsibility for its outcomes,

And I'm just a little afraid that some managers hide behind it to avoid taking responsibility, not my boss actually ... I have had many managers over the years and it

is far from all of them who are able to do that and then the risk is that they use these types of processes and tools way too square. **(Respondent 12, Employee).**

After scrutinising the respondents' impressions of the two R&R systems in the company, it is understood that the rationale behind the R&R systems is two folded. The company partly wants to identify and promote promising talents and partly accustom their compensation plans in accordance with individual performance. Relating to Armstrong's (2012) definition of rewards management, it is possible to notice a resemblance with his argument that R&R serve to develop a performance culture to remain commercially relevant. Given the systems for R&R that the company has established, the results showed discrepancies in how this system is materialised, as will be presented in the following subsection.

5.1.3 The implementation of R&R

Despite the R&R being regarded as transparent and objective due to its performance-based assessment, it was highlighted that its implementation and outcome were dependent on the manager's leadership and micromanagement. In this regard, the manager's engagement was a precondition for R&R implementation in practice, whereas availability and presence in terms of seeing and giving feedback to employees were considered essential. It was expressed by several accounts that each manager has their traits and conditions for displaying leadership. Respondent 12 (Employee) exemplifies this when reflecting on how R&R has changed over time by stating, "With the risk that it may be a little personal dependent as well, depending on which manager you have. After all, there are people with different abilities as a manager".

The respondent continues by claiming that the geographical dispersion of a globalised workforce adds to the complexity of enforcing R&R for everyone. Related to this, Respondent 9 (Employee) raises an example where they did not have a one-on-one discussion with their manager over four weeks. With many employees perceiving R&R as dependent on the manager's engagement, Respondent 15 (Manager) mentioned that this is a result of a lack of knowledge and training and support from the HR partners, which ultimately impacts the manager's abilities to appease workers' salary demands. When reflecting on what challenges managers face when distributing R&R, they state that "... it leads to some disastrous consequences because it is hard, the framework to distribute salary is hard. You need to do sometimes magic with the with the numbers". The difficulty that Respondent 15 (Manager) explains lies in dividing a fixed percentage of salary adjustment, which has been approved by their superiors, to employees who are determined to receive their rightful share. Additionally,

several respondents stated that there is an expectation that managers will deliver a salary equivalent to the verbal appraisal they have given their employees. When asked what R&R meant to them, Respondent 4 (HR professional) explained: “If your boss has then said that ‘you are so talented and it works so well’. There is also a huge expectation, and then it is money that counts”.

These demonstrated findings could be related to Long and Shields (2010), claiming that the most positive effects of R&R are evident when extrinsic rewards accompany intrinsic rewards. They suggest that money does not possess only an instrumental value but also a symbolic value since it provides workers with a sense that the organisation values their contributions. A misalignment between cash recognition and non-cash recognition can thus lead to demotivation and negatively affect performance (Long & Shields, 2010). In contrast to the perception of R&R being practised differently depending on the manager, similar findings suggested that the characteristics of employees played a significant part. It was commonly described among the respondents that R&R strongly rely on the employee's ability to negotiate and prove their worth and performance. It was seen as an advantage among some employees, who claimed they were given more bargaining power to influence their individual assessments. However, it was also seen as a disadvantage since it put pressure on employees' ability to assert themselves. Some respondents stated that this was equivalent to a “theatre”, “charade”, or, as Respondent 7 (Employee) stated when explaining how salary adjustments are practised, “Then I have to sit there and argue and why should I have a salary increase then?”. Put simply, the respondent argues that the manager should see for themselves what the employees are doing, and the employees should not have to explain to their managers what they are doing. Related to the belief that employees are obliged to assert their value for their managers, other respondents showed that the workplace should constitute a network with social events where employees can brandish their proficiency. However, for those employees who are not given the opportunity or lack the necessary social skills, it tends to produce unfairness.

This section has presented a mixture of impressions of how R&R is implemented in the company, which, according to the respondents, is revealed to be largely dependent on social relationships between actors within the company. Managers are expected to express appraisal and feedback to their staff while delivering the cash equivalent to appease workers' expectations. On the receiving end, employees are expected to assert themselves and showcase their talents and value to the organisation. The intricacy of this social context is

elaborated by Perkins and Jones (2020), who emphasise that since rewards are about relationships, it is up to the organisational leaders who are initiating and enforcing the rewards not to alter the terms of the relationship. It should be noted that the authors do not mention what power or responsibility that lies within employees. While continuing to set rewards policies in action, Perkins and Jones (2020) explain that R&R must be attuned to environmental conditions and changes, which will be the focus area of the following two themes, external and internal influences.

5.2 External influences

5.2.1 *The D&IT labour market and labour regulations*

When asking the respondents what they perceived as the external factors influencing the company, the labour market for D&IT professionals was often acknowledged. Technological developments have raised the demand for knowledge workers, which sequentially put pressure on companies to appear as attractive employers. As Respondent 12 (Employee) explains when asked how R&R had changed since they started working at the company

When I started at the company and until today, a lot has happened in IT. The wheels turn so much faster now, even though it might have already started then. But today, there is much, much more focus on being fast and constantly being able to change technology and so on. To be on the bandwagon, and then we also want to be able to, in order to be able to be part of the competition, we must also attract new ones. **(Respondent 12, Employee).**

The respondent suggests that talented IT professionals possess the technical knowledge necessary for the company to remain commercially relevant or even gain a front-running position in the technological market. In this regard, the inflated value that technological workers hold on the D&IT labour market is noticeable globally and is exemplified through unprecedented reward offers, as Respondent 14 (Manager) explains when asked about their perception of R&R at the company.

I've heard crazy developments in salaries and, above all, bonuses. I met a guy from London who said that, "You know, these young technology professionals or the developers, they have weekly bonuses, you know" ... There is no logic in it and it is clear that it is a crazy world that drives you, above all the big tech companies that just combed home all the resources. **(Respondent 14, Manager).**

The respondent continues by stating that monetary rewards offered to technology professionals by big tech companies have reached incomprehensible proportions, which tends

to be exploited by some employees who set conditions for their employer in threat of resignation. Evidently, the importance of rewards aligns with Armstrong's (2012) example, which showed that a company's R&R must reflect market demands or face the consequences of employee turnover. Hence, these findings emphasise the immediacy of the issue, stating that the competitiveness of the labour market grants D&IT professionals the right to set the terms of compensation. This perception of the salary negotiation is shared by Respondent 4 (HR professional), who highlights the contingency of the situation when drawing an example of how a salary negotiation with a job candidate could look like,

... "I currently have a job offer at another company. They offer this and this and this". It is good input for us because we know that we have a pretty good grasp of what the other companies can offer, so that's good, and it also helps us keep up a bit on your toes so that, if you know that it's a moving market, you have to make a little effort as a manager to keep the employees, keep them motivated and that they see their value. But it's also difficult, of course. It is also a challenge. **(Respondent 4, HR professional).**

Regarding the company's current employees, the respondent adds that because of the changing labour market, managers must evoke motivation and a positive sense of self among the employees to prevent them from accepting offers from competitors. Hence, as Bullock et al. (2015) argue, the distinguished context of the private sector shapes companies' spectrum for R&R management and employees' preferences. It became evident from these findings that the highly competitive state of the D&IT labour market leads to challenges for the company to retain and attract employees, which requires special attention turned to how R&R can enhance employee motivation and value. However, in this regard, counter-offering wages from competitors is proven difficult, as the company must also withstand pressures from laws and union influence on how wages must be managed, as Respondent 4 (HR professional) described,

You have to adhere to tax rules and such, but we are quite...strict on it. We kind of don't take chances like that and "Yes, but we can solve that like that". We don't do that here. *Laughs*. And perhaps it is because we are such a large company. We kind of don't dare to risk that we trip on something. **(Respondent 4, HR professional).**

Given the company's size, the respondent surmises that it becomes more important to comply with regulations and avoid irregularities, deliberately or incidentally. Along with the business posture of being a serious and law-abiding actor in the labour market, it was also mentioned that the company aims to build on the idea of long-term investment in employees. The respondents meant that the company renounced their role as market-leading in wage levels,

instead offering long-term employment stability, security, and internal growth. It was described that the company compensates in this manner, meaning that by being restrictive in one aspect, they are more generous in another. Providing comparatively low extrinsic rewards in exchange for more intrinsic rewards could be proven effective for retaining knowledge workers, as Rumpel and Medcof (2006) argued. However, it could also be argued that these preferences are highly individual and can change depending on hierarchical status (Ederhof, 2011) or stages in life (Markova & Ford, 2011; Deal et al., 2010).

5.2.2 Global events and social change

Apart from influences traced to the labour market for D&IT professionals, other societal factors were mentioned as influential to the company's R&R management. One was the Covid-19 pandemic, forcing the company and its employees to adjust to home office settings. To some employees, this has been regarded as a benefit, often associated with "flexibility", providing opportunities for coping with their work-life balance and not being "forced" to turn up at the regular office, as Respondent 2 (HR professional) shared when reflecting on what R&R means to them,

The possibility of being able to sit at home, for example, sometimes is also a kind of benefit that is linked to the own group where the boss actually takes responsibility for whether it is possible or not. But that type of hybrid solution and flexibility is probably also a way of trying to sort of find a good solution for employees over time and be able to solve their family situation with it. **(Respondent 2, HR Professional)**.

This statement, which implies that remote work is a benefit which enables flexibility and work-family balance, could be compared to the findings by Wang et al. (2020), who reason that this could be effective for those who can structure their work. However, the benefit of working from home has not been viewed with the same optimism by all. Respondent 13 (Manager) raises concerns that the possibility of remote work can produce a new form of unfairness,

If Donald Duck can live in [City] and work in [City] and get his travel paid for coming here sometimes, and meanwhile, Mickey Mouse, who lives in [City], travels with the car and collects road tolls and petrol fees and all that. And Donald Duck can sit at home five days a week, and you come into the office in the [City] two days a month, while Mickey Mouse has to be here three days a week now. Is it fair? No, not really, I think. **(Respondent 13, Manager)**.

The respondent presumed that the division between those employees whose presence is necessary at work and those who can perform their tasks at home could contribute to indirect unfairness in the form of travel expenses. This emerging form of unfairness could be

associated with Wang et al. (2020), who conclude that for organisations to design a workplace with effective outcomes, they must fit their flexible work arrangements with the person they are delivering it to.

Another recurring finding of external influences on R&R was the popularisation of social media, most notably LinkedIn and other platforms where labour market actors constitute the target audience. Related to the findings in section 5.1.3, the ability to assert oneself as a professional with promising talents is a trait that is now more outwardly directed due to platforms such as LinkedIn. In a world of digitalisation, it is arguable that this could significantly affect millennial workers and their willingness to stay or remain with their employers (Morrell & Abston, 2018). Respondent 1 (HR professional) suggests that social media platforms have enabled professionals to broadcast their competencies to outside labour market actors by, for example, announcing newly acquired certificates. Before the emergence of social media, Respondent 17 (Employee) mentioned that employees could frame certificates and display them in their respective offices for others to view, whereas, at current times, it is more common to announce their achievements to outside actors. The gratification of individual achievements through comments and “likes” is also exemplified by Respondent 1 (HR professional), who admits to having been contacted by external actors requesting professional services. While receiving instant gratification from external actors is appreciative, this is seemingly confusing to the respondent since the visible profile does not provide an honest picture of them as a person,

It's like if I post something and get a lot of likes and it spreads. It happens that people see me as a good person at Company. I'm not going to lie, I've been contacted by a lot on LinkedIn and have been offered services. But how ... what do they really know about me? Not much, except what I show outwardly and then you only show the best outwardly. **(Respondent 1, HR professional).**

The respondent continues by mentioning that the company is influenced by the external social media landscape, which is typified through an equivalent to the social media platform Twitter where leading figures within the company publish non-work-related content. Examples of posts could be executives wishing “Happy Chinese New Year”. Respondent 1 (HR professional) conjectures that this could be a deliberate attempt by corporate management to create a feeling of community despite the global context of the company, which will be elaborated further in the following section.

5.3 Internal influences

5.3.1 *Company changes, size and global context*

Among the respondents, it was described that the company's global expansion and size had impacted R&R management over time. They pointed to the increased remote working and adapted country-specific management to circumstances, such as local regulations, time zones and cultural differences. It was mentioned how this made appraisals increasingly complex and leadership less personal over time. For example, when asked how R&R management has changed during their time at the company, Respondent 6 (Manager) drew comparisons from when the CEO was more physically present, as opposed to the present stage where recorded online meetings are more custom,

The more and more global we become, the less of these face-to-face gatherings it becomes. The previous CEO was significantly more present in [City in Sweden] and gathered all the managers who sat in Sweden at regular intervals, and then he had a briefing, and that was it... you had to go up on stage and get a pat on the back or something. Today the CEO is in the [Country] and has recorded meetings with us. **(Respondent 6, Manager).**

Other respondents expressed that it has also led to challenges with cost-efficiency as resources and budget becomes scarce due to the large and diverse workforce. It was especially said to impact social rewards, which have become widely restrained. Although, several respondents noted that it has been favourable to some extent, as they referred to the company's opportunity to offer employment stability, internal career opportunities and global mobility. In this regard, the findings were consistent with Armstrong's (2012) reasoning that organisations adapt and adopt R&R management according to their specific internal context. Related to Festing and Tekieli (2021), it was similarly revealed that the size and global character of the company could both support and constrain R&R management. However, these findings imply that the size and scope constrain extrinsic rewards more than intrinsic ones, which was shown to be supported.

Related to this, another finding among the respondents was that the company's approach to R&R management has changed along with its expansion. Some respondents expressed how the management has become more informal with time, along with a flattening organisational structure, diffusing the formal hierarchical top-down structure. The shareholder focus has become increasingly prioritised, leading to short-term, flexible and mobile employment relationships where outsourcing is prominent. To this, it was mentioned how job positions are

no longer a lifetime commitment. Instead, moving between job positions, vertically and horizontally, is common throughout the career. When asked about what challenges or opportunities lies in how people are rewarded and recognised, Respondent 11 (Manager) explained,

At the same time, I actually think that the feedback, it is easier to get negative feedback, and that means that you don't sit in a position for life, but if people aren't ... or customers aren't really satisfied and, then you have to move the person to another role where they might work much better. But I think in the past if you look back a few years, it was more that you were more cemented in the role you had, and no one moved that person until that person chose to move themselves. **(Respondent 11, Manager).**

In response to these experiences, it was mentioned among other respondents how this had also changed the “company’s spirit” and feelings of unity, which the respondents currently referred to as being “one in the crowd”. That is where they must put their own effort in to be rewarded and recognised. Following this, when asked on what grounds people are rewarded and recognised, Respondent 2 (HR professional) shared that the company’s management has moved from the basis of seniority and service lengths to relying mainly on performance-based R&R,

I also think that previously you might have rewarded a lot based on seniority or a long time in, long employment periods, and such things still exist in some countries. But now it's very ... now we focus on performance, pay for performance. **(Respondent 2, HR professional).**

Lastly, along with the global expansion, it was apparent that cultural differences display specific challenges for the managers in their R&R management. Related to what Festing and Tekieli (2021) describe as a dilemma for MNCs, the respondents explained addressing the cultural differences at the company’s global sites becomes complicated since different sites have different presumptions of appropriate reward types. Several respondents exemplified this with Long Service Awards, such as Respondent 6 (Manager), who explained how a gold watch was assumed as a standard reward in the US, while in Poland, it was commonplace with cake and flowers. In Sweden, on the other hand, being recognised in the sense of being noticed by superiors was described to be assumed to be unnecessary for work performance where Respondent 6 (Manager), along with other respondents, implied that work ethic and morale tend to be more of taken-for-granted in the Swedish workplace, together with professionalism embedded within its work culture. To this, the respondents shared that

appreciation and gratitude in Sweden are rather implicitly understood instead of explicitly expressed. For example, Respondent 17 (Employee) illustrated this by saying,

We're crap ... we're generally crap at this ... So I'm not a person who goes around and says like this, "Damn, that task was done, woohoo!" like me, I don't work like that, I do my job, and I think it's part of my job to do it. **(Respondent 17, Employee).**

These cultural differences also became apparent by an expatriate employee, who compared Swedish work culture, where employees do not need to boast about their achievements, with Indian work culture, where many co-workers are compelled to highlight their proficiency. When asked to exemplify these cultural differences, Respondent 16 (Employee) replied, "But in India, it is very different. There is a race. You are always competing. There are too many people, and everyone wants to shine". However, apart from cultures associated with the country of origin, other respondents further acknowledged that generational differences, gender and the D&IT profession characteristics had influenced R&R management within the company. This will be further discussed in the following subsection.

5.3.2 Generation, gender, and D&IT professionals

Following previous research, which suggests that millennials are observed to possess another mindset (Badri et al., 2022; Morrell & Abston, 2018), the findings showed that respondents similarly thought that younger generations address R&R with a different approach in the company. Compared to older generations who prioritise secure employment, younger employees are often associated with competence development and a willingness to relocate to pursue their careers. When asked what challenges and opportunities lie in R&R management, Respondent 14 (Manager) stated that younger employees tend to be more driven by purposeful work values related to their contributions to the company, especially with an emphasis on sustainability. The respondent claimed that "there are many, especially in the young generation, who think it is important that they do good work for a higher goal... personal growth and above all sustainable development".

However, other respondents also raised individual differences on account of gender. A pattern was discovered among some respondents, who assumed that the company was acting to ensure unbiased distribution of rewards and balanced gender representation in respective fields and hierarchical status. On the contrary, other respondents pointed towards gender-related differences, exemplified in their bargaining strategies. Respondent 15

(Manager), who highlights that the salary gap for the same job in the company is high, explains why this is the case,

... Women will back out a little bit saying, “I'm happy with whatever you can give me”, and they have a different attitude and the managers, they don't make any effort to make it fair. So for the same job the gap in salary is very high. **(Respondent 15, Manager).**

The respondent explains that women in professional contexts are more likely to be content with wage offers during negotiations. The managers are said to be aware of this trait and use it to their and the company's advantage. In addition, other respondents claimed that the irresolute attitude could be related to specific professional fields, such as the D&IT profession. Respondent 9 (Employee) explained that D&IT professionals generally tend to display cowardice when assessing themselves to their superiors,

Especially in IT, there are many who are not so good at asserting themselves either, so there are many who are ... I mean, we are the cowards, so I think it works better in a different type of professional group than this set. **(Respondent 9, Employee).**

The respondent presumes that the ability to showcase achievements is more commonly found in other occupational groups than in IT. However, the respondent further adds that this necessity to boast to managers was not the case when they started working for the company. Instead, there was continuous feedback from the managers who were more observant of employees' daily operations. Hence, as also observed from these findings was that in many cases, individual differences tended to constrain opportunities to gain a fair R&R. The next section was therefore dedicated to exploring this fairness dimension further.

5.4 Perceptions of fairness

5.4.1 Comparative fairness

The findings showed that R&R in the context of fairness becomes complicated and complex due to its multidimensionality. To this, the respondents described that justice in terms of fairness is hard to manage and grasp since the perception is often self-biased rather than being objective and considering the whole picture. When reflecting upon own experiences of fairness and R&R, Respondent 1 (HR professional) illustrated with the parable of “carry her/his ego hat [on]”, and Respondent 13 (Manager) by suggesting that it becomes an impossible mission due to the matter of interpretation,

It will never be fair, much like in the politics of the world. I don't think there is anything like ... where there are so many people who agree that 'it's fair'. We look at it differently, I think. **(Respondent 13, Manager).**

The presumption that reciprocal fairness is impossible to achieve is also concluded by Cugueró-Escofet and Fortin (2022), who argue that finding common ground about fairness is problematic due to the complexity of context and norms different people draw from. However, the findings from the respondents also showed that fairness perceptions commonly revolve around the individual in a collective context. For instance, some respondents said to compare themselves with others to conclude whether their situation was fair as a group or as individuals. This aligns with Morrell (2011), who similarly argues that R&R management could be perceived as conditioned by the experiences of fairness, such as when people compare themselves internally. The author argues that when employees perceive that they are underpaid compared to others in their own organisation, the motivational impact of nonmonetary incentives, such as public recognition becomes less salient.

Apart from internal rewards differences, some respondents elaborated further that the comparative aspect of fairness is also connected to the external market. Several respondents stated that the company's R&R was internally fair but externally unfair since it was thought not to match or balance with the external market. Especially when it comes to wage levels, whereby Respondent 3 (Manager) stated, "Yes, it is fair internally within the Company, but it is actually not fair to the market today". For this, it could be observed among the respondents that fairness plays an important role in the company's attractiveness, for which external unfairness has become a challenge for keeping and attracting the right talent. Another example of unfairness, as once experienced by Respondent 15 (Manager), is when the company fails to deliver benefits as promised to new employees upon recruitment. The respondent retells one example where one of their employees became confused when being informed that the annual Christmas party was cancelled due to insufficient funds,

But didn't [HR professional] say in the training that we get lunch for free on Christmas??. And I had that email from my inbox and I didn't show it to them. But I was like, "Why?", "Okay, you don't want to pay, it's okay". **(Respondent 15, Manager).**

The respondent explains that when arranging the Christmas party, their HR professional stated that the budget was on each manager's conscience, implying that R&R greatly depends on the manager's own initiative. Evidently, this personal dependency goes against what most respondents consider fair, which will be elaborated on in the following subsection.

5.4.2 Elements of fairness in R&R Management

When first asking the respondents what fair R&R meant, it was initially explained to be when rewards are consistently and justifiably distributed for the efforts and contributions made for the company by either the individual employees or teams. Thus, it was implied that it is important for R&R to be essentially based on individual performances and contributions without bias and irrelevant grounds for which age, gender or ethnicity was specifically mentioned. Respondent 12 (Employee) explained that “trying to avoid clear and very obvious injustices is probably the fairest thing you can do”. In addition, other respondents mentioned that the quality of performances was important, for which extra-role behaviour or ambitions were especially valued and expected to be acknowledged and accounted for. In this regard, some respondents speculated that failing to be fairly rewarded or recognised for either ambition or efforts could lead to a loss of motivation, followed by resignation at worst. This is confirmed by previous research, proving that perceived fair R&R can impact employees' intentions to leave their employer (Rai et al., 2019; Leineweber et al., 2020).

However, in connection with these findings, some respondents additionally mentioned that no reward could also be a reward, for which it was implied that the outcome of R&R can be fair if the intention of its distribution is also perceived as fair. Such as when employees and their performances are “seen and heard” to such an extent that they are supported and encouraged in their pursuit to achieve better performances and achievements. In this sense, it also means acknowledging and allowing for underperformance. As Respondent 8 (Employee) shared, when asked on what grounds people ought to be rewarded and recognised,

It is that you are seen for what you perform and what you contribute. But all the same, I want to know what I can do better. ... If I also find out what I can do better, then I know that I am seen. **(Respondent 8, Employee).**

Drawing on Khan's et al. (2020) research, unfairness can be acceptable even if the outcome is inequitable or unequal, for which the specific context and circumstances carry importance. Hence, as observed from the findings, being fairly rewarded does not necessarily mean that any achievement needs to be gained. Instead, the element of willingness to perform and informed feedback is pointed out as necessary for R&R management to be perceived as justified and fair, regardless of its outcome. Furthermore, while some respondents acknowledged the importance of performance-based R&R, others described it as complicated because different performances and contributions are valued differently. Thus, another

element of fairness raised by the respondents was that the right person or team is credited for the right work. Meaning that one individual or team should not be given credit alone for something others have contributed to or vice versa. Similar to the research Milne (2007) presented, respondents shared that if that becomes the case, it will lead to unfairness and, in turn, risk creating tensions and conflict between employees or teams. Moreover, related to Milkovich and Wigdor (1991 as cited in Milne, 2007), some respondents further referred to this as an issue of deception for which it becomes a risk with potential free-riding because some are better at making themselves noticeable. For example, when asked who ought to be rewarded, Respondent 5 (Manager) mentioned the so-called “hero culture”, in which the spotlight risks being turned to those who put out the fires while those who rarely encounter problems fall in the background,

I had an old man, his name was [Name], and he was the kind of guy who always saved us. But we also saw that it was always [Name] who put us in the situation that made it necessary for [Name] to come in and then save us. So I know we started talking about whether it wants a salary because then we had [Name] who had saved us many times and thought, “damn, he's really good”, and then we had someone else where there was never any noise around where it was always good. **(Respondent 5, Manager).**

With these findings, the results indicate that fairness is commonly referred to when all performances and contributions are recognised, including those that are not remarkable.

In addition to the aforementioned findings, another aspect raised as important for fairness in R&R management was fair underpinning management that governs the reward processes. This was specially raised among the managers and HR since it supported them in “harmonising” the wage setting. To this, several respondents used words such as “structured”, suggesting that potential risk for misjudgements is rarely overlooked, but also “respect” and “transparency”, referring to the process offering mutual influence and that eventual disagreements can be raised and settled by a neutral party. The respondents also expressed an underlying trust for the reward system, assuming it works as it should and is “homogenous and fair”. Related to this, when asked what fair R&R meant to them, Respondent 18 (Manager) argued that a good R&R is predictable and clear,

But maybe it is precisely that it should be predictable and clear what is expected to get recognition. And that maybe it shouldn't be like that ... dependent on the person, who it is who has made the assessment without there being certain guidelines to relate to. **(Respondent 18, Manager).**

Similar to this objective approach, Respondent 7 (Employee) also added that the company

takes the regulative aspect of R&R seriously, and it was said that the managers make a clear effort to manage R&R fairly. Respondent 1 (HR professional) pointed to the fact that the framework strictly supports an appropriate individual wage setting, which was described to depend on how employees are driving and negotiating their case. In this regard, other respondents remarked that HR further plays an important role in supervising and harmonising a fair R&R at regional levels. That is, since the HR function was assumed to be responsible for monitoring the internal balance, thus also supporting in correcting if any unfairness exists. As Respondent 3 (Manager) shared when asked what role HR had on the R&R framework,

I make sure that they are balanced within the teams so no one stands out, and then we have the HR function, it sort of sits there and monitors everything, so I rely on it. I trust HR very much per site, so to speak. **(Respondent 3, Manager).**

However, in contrast to these findings, when asking the respondents if they had experienced any unfairness in R&R management, it became apparent that the perception of fairness was twofold. Therefore, the next section aimed to explore the elements of unfairness in R&R management.

5.4.3 Elements of unfairness in R&R management

It was commonly shared among the respondents that the salary review was one of the main aspects of R&R that led to certain unfair experiences at the company. Some respondents explained it with misaligned expectations and opinions about their performance and entitlement to a salary increase. It was mentioned that a mismatch in leadership style, lack of communication and feedback, and manager support in “proving” their assumed performance were underlying factors projecting the unfair setting during the salary review. When asked about their perception of the salary review, Respondent 13 (Manager) explained,

Most people think they are doing better than most others, and thus there will be a pot with an average of two percentage salary increase, and most people will come in with an expectation that you have a two point five to three, that must be the case for me because I'm still so excellent like that, and when it doesn't happen then it's like that, there's a lot of people who react to it then. **(Respondent 13, Manager).**

However, it was also observed that the box system was often perceived as a procedural barrier to a fair salary review. Especially among the employees such as Respondent 12 (Employee), who mentioned it as being locked in a box where they cannot be recognised for their actual performance due to the strictly governed assessment and the limited and narrow wage span within each box. When reflecting on why this is the case, the respondent adds,

“That's what everyone in the whole world does, and so no one can question that, it feels a little like that”. Other respondents mentioned that the system and management could sometimes work in contradicting ways, for which they had received salary increases based on their minority disadvantage instead of performance. For example, Respondent 12 (Employee) said, “My biggest salary increase I ever got was when I was on parental leave.” and Respondent 7 (Employee) shared an occasion regarding the respondent's own young age,

I can feel that now that I'm a senior, now I'm experienced. Then if it had gotten past someone, if we had hired a young person directly from [University], then he says that, or she, that he only got a significantly higher salary thanks to that I just come from university here, and I'm obviously the youngest. Then it's me, I've felt that it's not his or her performance there. **(Respondent 7, Employee)**.

With this, both respondents described it as unfair to have a lower salary because of their minority disadvantage. However, they still implied that raising the pay was also ironically unfair when not based on performance. Concerning employee contributions, Armstrong and Brown (2006) argue the timing and circumstances for the distribution of R&R become essential for its impact on performance. It could help to explain the confusion that arose by the respondent who received a substantial salary increase during their parental leave, which did not correspond with their performance at the given time. Moreover, apart from the salary review, the findings also showed that the distribution of “privileges”, such as home working or location of the office space, was another aspect of R&R that led to unfair experiences. The respondents described this with internal class differences, for which some roles and teams are said to be more valued than others. Respondent 15 (Manager) exemplified this by referring to the innovative team projects, describing these as “those who drive the future” versus those engaged in the daily operations “who pay the bills”,

It is to see other teams because they are getting fancy privileges. For me, this is something that I don't think it's showing that the company has a good policy for recognition and rewards because the ones that pay the bills, they should be recognised too. They also want fancy offices, and they also should be able to rotate in these places **(Respondent 15, Manager)**.

What became evident from these findings was that unfairness played an important role in the perception of R&R management, emphasising the social and symbolic value it communicates to the respondents. It can be relatable to Bloom (2004) and Cropanzano et al. (2007), who argue that the social and symbolic aspects of R&R are crucial to consider to succeed in the employment relationship. Bloom (2004) especially acknowledges that fairness in R&R management can be viewed as a representation of the organisational values and ethics to honour the employees' contributions, which these findings became a clear example of.

Chapter 6. Discussion

In this chapter, the main contributions of the findings with support from the institutional logics perspective will be discussed to analyse the significance of the result and to fulfil the study's purpose.

6.1 Summary of main findings

At the outset, this study served to answer the research questions of what the perceived external and internal influences on R&R management are and how R&R management is perceived in relation to fairness. When asked what external factors influence R&R management at the company, the labour market for D&IT professionals was commonly mentioned. Rapid technological advancement has raised the demand for knowledge workers and thus their bargaining power. Therefore, the liability for employees to change employers who offer more attractive rewards contributes to the competitiveness between companies. Furthermore, the popularisation of social media for career purposes has expanded the possibilities for professionals to showcase their talents to a wider audience. Other noticeable external influences were the effects of the Covid-19 pandemic, which have led to the possibility of remote work. Interestingly, mixed impressions were shown of what working from home has meant to the respondents, where some regard it as a benefit and others as a barrier, especially for giving and receiving recognition. Regarding the internal factors of influence, the complexity of the conditional circumstances of MNCs was mentioned since the company is obliged to adhere to local standards and practices while simultaneously maintaining a corporate standard of R&R that covers all global subsidiaries. The global context of the company was also seen as an influential factor for how R&R is managed since it implied a diversified workforce in terms of age, gender and inherited cultural elements. According to several respondents, this diversity entailed differences such as preferences for R&R and approaches to obtain desired R&R. For example, in general, D&IT professionals and particularly women, were considered modest or inapt of asserting their value to the company. In turn, dependency on managers' leadership and employees' abilities to assert themselves was seen as unfair and counterintuitive to the guiding principle of performance-based assessment.

It was widely assumed that fairness in the context of R&R was difficult for the respondents to explain due to its multidimensionality and tendency for self-biased interpretations. Apart

from being treated in correspondence with performance, fairness must also take a comparative approach by considering how other professionals, both inside and outside the company, are rewarded and recognised. One determining factor for fair R&R was that assessments must be valid and unbiased. Rewarding and recognising employees should, in other words, be based on performance or lack thereof. It should not be relevant to who the giver or the receiver is. However, discrepancies were discovered in this result, where some regarded the current R&R framework as structured and performance-based, generating a sense of “trust in the system”, others raised concerns about its inflexibility, hindering managers from rewarding and recognising employees for other distinguishing features, such as ambition. Furthermore, some respondents argued that the R&R framework permitted managers to “hide behind the system”. Interestingly, the data showed that outcomes of R&R could still be considered fair, provided that the process and practice are properly executed. It was exemplified by a respondent who implied that no reward also could be a reward, implying that denying someone a reward is still considered fair if the receiver has failed to live up to predetermined expectations. In terms of organisational justice, as explained by Cropanzano et al. (2007), it was shown by this result that the distributive approach of R&R is allowed to be uneven as long as the procedural approach is fairly implemented.

When reflecting upon the Ajax dilemma, in which the charismatic Odysseus is being commended instead of the diligent Ajax, similarities could be found in the company where the employees' abilities for self-assessment, as well as the managers' abilities to see and hear what the employees are doing, play a determining role for R&R. It was unanimously stated that in order to avoid confusion and self-biases, it should be predictable and clear what is expected, which in turn indicates the importance of informational justice (Cropanzano et al., 2007) and why employees need to be informed in advance of the terms of R&R. Something that has shown to have mixed impressions as some regard the information as open and transparent, while others perceive the expectations as unclear due to the globalised context of the company which has led to a less personal workplace. Regarding the other subpart of interactional justice, interpersonal justice, the result showed no tendencies where employees or managers were mistreated in a disrespectful or undignified manner. When asked whether they or a colleague of theirs had been mistreated at the company, the respondents retold instances of unfairness with previous employers and that the case company retained a high degree of professionalism.

6.2 The study's findings from an institutional logics perspective

In addressing the first research question on what external and internal influences that are influencing R&R management, it was possible to rely on Thornton's et al. (2012) understanding of institutional logics as the social order that transcends multiple levels of analysis, in other words, society, organisations and individuals. Furthermore, the four ideal logic types explained by Goodrick and Reay (2011), including the community logic by Thornton et al. (2012), could be used as reference points to identify which belief systems the social actors in the company adhere to and how this might result in a conflict or cooperation between fairness perceptions and R&R management.

Regarding the external influences, it was accepted that the strategic approach of R&R was to attract and retain highly sought-after knowledge workers who are essential for the company to achieve an advantage in the labour market. This fierce competition between companies could be associated with the market logic where organisations are inclined to act out of self-interest to suit their gains. In contrast to the importance of monetary compensation that numerous employees emphasise, it was admittedly stated by HR professionals and managers alike that the company does not strive to be a front-runner regarding salaries. Instead, the company attempts to be perceived as a serious and safe employer who does not evade norms and obligations in pursuing monetary gains. The study's results indicated that this could be due to the company's size and scope, which entails the R&R management to abide by regulations concerning taxes and labour laws. In turn, this could be regarded as influences related to state logic which acknowledges the state as a supreme authority whose power surpasses the company's (Thornton et al., 2012).

However, from the employee's perspective, it is arguable to associate their belief system on the subject of R&R with professional logic. As mentioned in the theme R&R management, respondents emphasised extrinsic rewards, stating that they would not work for the company if their monetary demands were not fulfilled, including that recognition gains its perceived value when accompanied by a satisfactory salary. Correspondingly, as described by Thornton et al. (2012), professional logics implies that workers adhere to personal capitalism as an economic belief system, meaning that they are culturally embedded to act out of self-interest when, for example, demanding higher salaries. In addition to monetary gains, the authors also argue that status and reputation also lie in the interest of professionals, which is recognised in the respondents who valued intrinsic rewards in the form of more responsibilities and

opportunities for connections. Furthermore, it is arguable that the upsurge of career-centred social media, such as LinkedIn, has provided knowledge workers with the tool to assert their status and reputation to a wider audience. Indications of professional logics were also discovered from both HR and managers when describing the principles behind the two R&R systems. It was noticeable that the company methodically classifies individuals based on performance. In turn, this could be associated with categorisation within the confines of professional logic (Thornton & Ocasio, 2008). To simplify, it is taken for granted in the competing labour market that professionals can be set apart from others. Therefore, the company can be seen as acting systematically to map out who belongs to which category.

When discussing what internal influences impact R&R management at the company, the respondents provided various explanations. When drawing from the institutional logics principle of multiple levels of analysis (Thornton & Ocasio, 2008), a pattern was identified, in which the organisation and its members' characteristics were shown as important elements influencing R&R. Drawing from the understanding of historical contingency, Thornton and Ocasio (2008) suggest that institutional logics can develop over time. In this regard, it was found that the company's internal structure and culture have internally changed along with global expansion, of which the respondents highlighted a change of spirit and structuring of employment relationships. Such as by moving from a top-down formal structure to becoming more flattening and informal, thus also implying an internal shift of focus to advancing within the profession rather than at the hierarchical level. Seeing that Goodrick and Reay (2011) describe corporate logic as characterised by a top-down hierarchical structure with a strong emphasis on managerialism and work culture, this case could indicate an internal change of prevailing logics. That is with development from the previous corporate logic to emphasise stronger individualism, similar to professional logic as referred above.

Nevertheless, the significance of this result also points to the connection to multiple logics (Ocasio et al., 2017) and contests for power and status, whereby the prevailing logic will set the rules of the game (Thornton & Ocasio, 2008). Given the multiple logics in the result, implementing R&R management becomes complex in practice due to the pluralism in its context. For instance, the result implied that R&R management must be adapted to local standards at global sites, which is influenced by specific cultural preferences and local regulations. Simultaneously, the company must pursue its market position and human capital advantage, thus requiring a balance between market and state logics pressures. However, in this regard, it was stated that the legal adoption must never be compromised and that the

company must conform to established rules, norms and cultural standards to maintain the legitimacy of its business operations (Scott, 2014). Failing to conform could generate sanctions and distrust against the company as a serious market actor. Furthermore, by drawing from the understanding of collective identities, institutionalised groups can develop their own prevailing logic, shaping their later social underpinnings and activities (Thornton & Ocasio, 2008). In this result, it became evident that the respondent's categorisation of generation, gender, and professional belonging impacted the later outcome of their perceived R&R management, which also influenced their subsequent responses, such as with different approaches to negotiating R&R. In this concern, the findings signify the importance of group perceptions, pointing to the fact that internal R&R management becomes a matter of perspective on multiple-levels.

Regarding the second research question on how R&R is perceived in relation to the perception of fairness, it was cohesively stated that the ideal principle of fair R&R management is that it should be the actions of individuals and groups that create the conditions for who is rewarded and recognised and that no one should endure discrimination. This principle could be closely associated with community logic characterised by group membership, common values, and reciprocity. Arguably, this could be exemplified through the company's equivalent to Twitter, whereby it is possible to elaborate that executives post non-work-related content to tighten the company community, despite the geographical scattering. While the principles of fairness were, by several accounts, materialised, most notably through the two R&R systems, which rely on performance-based assessments, it was still possible to notice elements of unfairness. According to Thornton and Ocasio (2008), one key principle within institutional logics is historical contingency, which refers to changes in the larger social environment that can affect individual and organisational behaviour. One such change was the Covid-19 pandemic, whereof remote work arrangements are currently being institutionalised across the world. Prior to the pandemic, it was culturally embedded within each organisation that all workers, regardless of tasks, should be at work. As discovered in this study, the current state of these work arrangements has indicated a new aspect of unfairness, such as variable travel expenses between those whose presence is required at the office versus those who can work remotely.

Regarding the principle of unbiased assessments, it was mentioned that some groups within the company possess attributes and traits that have a mitigating effect when negotiating one's salary, for example, D&IT professionals who tended to be socially withdrawn or women who

tended to be content with initial wage offers instead of demanding more. This categorisation of individuals, as given nuance to the question about internal influences, could be further related to the element of collective identities, whereof individuals with similar cognitive, normative or emotional connections are unified into one common identity and are willing to protect their interests from being breached. As adherence to multiple identities is possible (Thornton & Ocasio, 2008; Thornton et al., 2012), this result indicated that female D&IT professionals could experience double-edged disadvantages when negotiating their salaries. Since the results revealed tendencies of personal dependency in the distribution of rewards, it is possible that the legitimacy of the R&R framework as a performance-based system could be questioned. Furthermore, as explained by Amis (et al., 2020), "...the deeply entrenched myths of meritocracy allow the outcomes of non-meritocratic practices to go unchallenged" (p.197). In the context of R&R in the company, if the perception of performance-based assessment is habituated to such an extent that its practices are hardly questioned, this could lead to a reproduction of inequality which allows managers to "hide behind the system" and avoid accountability for its outcomes.

Chapter 7. Conclusion

The purpose of this study was to explore how R&R management for knowledge workers is influenced by the external and internal environment and perceived in relation to fairness. In contrast to previous studies, which predominantly have focused on measuring the effects and preferences for different types of R&R, this research project has, with its qualitative approach, sought to shed light on how the contextual environment of MNCs is influencing R&R from a sociological perspective. Firstly, this study provided evidence that suggests that external factors, such as the labour market for D&IT professionals and social change, are forcing the company to adapt its R&R management to a workforce which has been increasingly professionalised. The company's internal changes and expansion were also shown to influence the local implementation of R&R management as different social identities conditioned the perceptions of its outcomes. Secondly, this study concluded that fairness is multidimensional, as it tends to be self-biased and must be put into a comparative perspective to others. Fairness means that R&R is equally and unbiasedly distributed based on performance and is underpinned by highly fair management and a supportive interactional approach that offers two-way feedback, allowing for underperformance. Conversely, unfairness is commonly experienced during salary reviews due to misaligned expectations of employee performance or perceived favouritism of in-demand project groups. In this sense, failure to recognise employees and their values could evoke feelings of unappreciation or envy between co-workers. As previous research emphasises, fair R&R management has become essential for organisations' viability, especially given the competitive environment that MNCs confront in the digital age.

This research project was a case study on a Swedish MNC intended to acquire in-depth knowledge of the phenomena of R&R and fairness. Within the constraints of the given scope and time frame for this project, aspects such as rewards strategies were deliberately disregarded. This limitation was why certain elements of institutional logics, such as “attention”, were left out since it focuses on actions and decision-making by institutions in response to environmental situations (Thornton & Ocasio, 2008). As discovered, the challenge for HR practitioners lies in adapting to continuous conditional changes while simultaneously acknowledging the fundamental needs of a highly skilled workforce. It is safe to assume that there will always be professionals who will suffer the same fate as Ajax, as it is improbable that all actors will consider the distribution of R&R as fair. Although, by

reconfiguring R&R in accordance with performance-based assessments and avoiding tendencies for personal dependence, it is possible to preserve the social fabric within the company. In addition, as this study suggests, R&R management that is both successful and fair does not need to be costly. Instead, it can be recommended that companies work more efficiently with the distribution of intrinsic and social rewards while keeping the extrinsic rewards systems equally fair and transparent.

For researchers who wish to pursue the academic trail of R&R management, a comparative study on how R&R management for MNCs differs from those of SMEs might be relevant to evaluate the significance of company size and scope. Alternatively, research on R&R management for public organisations could be of scientific interest in, for example, investigating how the determination of abiding by public laws of the procedure while simultaneously competing for the same knowledge workers as private actors, as this study has highlighted, the subject of R&R management in the digital age reveals the vastness of the scientific territory which remains undiscovered.

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Appendices

Appendix 1. Revised Interinstitutional System Ideal Types

Table 1. “Revised Interinstitutional System Ideal Types” (Thornton et al., 2012, p.73).

Y-Axis:	X-Axis: Institutional Orders						
Categories	Family 1	Community 2	Religion 3	State 4	Market 5	Profession 6	Corporation 7
Root Metaphor 1	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
Sources of Legitimacy 2	Unconditional loyalty	Unity of will Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
Sources of Authority 3	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
Sources of Identity 4	Family reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
Basis of Norms 5	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
Basis of Attention 6	Status in household	Personal investment in group	Relation to supernatural	Status of interest-group	Status in market	Status in profession	Status in hierarchy
Basis of Strategy 7	Increase family honor	Increase status & honor of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
Informal Control Mechanisms 8	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organization culture
Economic System 9	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

Appendix 2. Interview Guides

Interview Guide 1. HR professionals

Complementary questions: professional background

1. How long have you worked for the company?
2. What is your current position and previous roles during your time in the company?

First theme: Rewards and recognition management

3. What does rewards and recognition mean to you?
4. How would you describe how the company rewards and recognises employees today?
 - Strategy
 - Differences
 - Policy
 - Guiding Principles
5. From your own experiences, how would you describe rewards and recognition as having changed over time?
 - Changing rewards types / for what - HOW and what.
 - Changing recognition/ ways / for what

Second theme: External and internal influences

6. What factors would you say influence the way rewards and recognition are managed at the company?
 - Challenges and opportunities

Third theme: Fairness and equity

7. What do fair and equitable rewards and recognition mean to you?
8. What would you say fair and equitable rewards and recognition mean for the company?
 - How do you think this works in practice
 - How does the conversation look like
9. Have you ever witnessed any colleague of yours being treated unfairly?
 - Have you yourself been treated unfairly?
 - (If not, in what way and why would you say that you are being fairly treated)

Concluding questions

10. As we are wrapping up this interview, what do you see as your main takeaway?
11. Is there anything else that you would like to share that we have not been talking about before we finish?

Interview Guide 2. Managers and employees

Complementary questions: professional background

1. How long have you worked for the company?
2. What is your current position and previous roles during your time in the company?

First theme: Rewards and recognition management

3. What do rewards and recognition mean to you?
4. What are your own experiences of rewards and recognition in the company?
 - How are you and your colleagues normally rewarded and recognised?
 - How does the company normally reward and recognise you and your colleagues?
 - How and for what would you like to be rewarded/recognised?
5. From your own experiences, how would you describe how you are rewarded and recognised has changed over time?
 - Changing rewards types / for what
 - Changing recognition/ ways / for what

Second theme: Internal and external influences

6. What factors would you say influence the way one is rewarded and recognised at the company?
 - Challenges and opportunities

Third theme: Fairness and equity

7. What do fair and equitable rewards and recognition mean to you?
8. What would you say fair and equitable rewards and recognition mean for the company?
 - How do you think this works in practice
 - How does the conversation look like
9. Have you ever witnessed any colleague of yours being treated unfairly?
 - Have you yourself been treated unfairly?
 - (If not, in what way and why would you say that you are being fairly treated)

Concluding questions

10. As we are wrapping up this interview, what do you see as your main takeaway?
11. Is there anything else that you would like to share that we have not been talking about before we finish?