

CHALMERS



Reward Systems and Incentives in a Project Based Organisation

Identification of Reward Systems and Incentives influencing
Construction Site Managers

*Master of Science Thesis in the Master's Programme International Project
Management*

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Department of Civil and Environmental Engineering
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CHALMERS UNIVERSITY OF TECHNOLOGY
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ABSTRACT

Aim – This study sets out to identify and investigate how rewards, reward systems and organisational incentives influence construction site managers in a project based organisation.

Method – The research was designed as a case study within one district in Skanska Sweden AB. The main data source in was approximately 10 semi-structured interviews conducted with managers at Skanska. Questions aimed to identify rewards related to the organisational context of the construction site managers.

Findings – Construction site manager rewards were identified to stem from the project environment, the company, social relationships, the job position and the individual personal values. Moreover a number of incentives and reward systems affecting the provision of site manager rewards were identified, among which the manager were identified to have the largest impact. Furthermore, results are discussed and related to common problems related in project based organisations.

Conclusions – The paper provides insights in how construction site managers perceive their work context from a reward perspective.

Keywords: Construction site manager, Rewards, Reward systems, Incentives, Project Based Organisation

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Preface

This Master Thesis identifies rewards, reward systems and incentives related to construction site managers in a project based organisation, Skanska Sweden AB. The thesis was carried out from January 2011 until June 2011 at the division of Construction Management at Chalmers University of Technology.

The study was conducted by the author of this report, Tobias Eriksson as a part of the MSc Programmes, MSc International Project Management at Chalmers University of Technology in Gothenburg and MSc Project Management at Northumbria University in Newcastle Upon Tyne. Associate Professor Roine Leiringer and Per-Erik Josephson at Chalmers University of Technology and Ramesh Vahidi PhD at Northumbria University has supervised the Master Thesis work. Additionally, the process was supervised by Skanska.

I hereby want to thank my supervisors for aiding me through the process. I want to thank the people at Skanska, especially the people working in the district where the study was conducted. Without you, this study would not have been possible. Due to anonymity reasons I will not mention any names but you know who you are.

Göteborg September 2011

Tobias Eriksson

1 Introduction

The construction industry has undergone major changes in the way the industry organises itself. These changes have not only affected the industry as a whole but also organisations operating within it. Due to these changes, the role of contractor organisations has changed and left them with increased responsibility for the construction production phase, often being fully responsible (Cacciatori and Jacobides, 2005). Furthermore, the complexity within construction projects is increasing, thus production planning is also becoming more important (Gidado, 1996). Hence, the role of construction project managers in contractor organisations managing the construction projects has become a key resource (Dainty, Raiden and Neale, 2004). In contractor organisations, construction project managers are responsible for a number of project organisations, temporarily formed to deliver construction projects, supported by a central line organisation. Thus contractor organisations could be resembled with project based organisations (Hobday, 2000).

As in project based organisations, work is to a great extent performed in temporarily formed project organisations. This does, however, create some problems realised in previous research within the field. Project based organisations are described as using distributed work practices, being decentralised, having a short-term emphasis (Bresnen, Goussevskaia and Swan, 2004). Furthermore, tensions between the short-term requirements of the project and the requirements of the organisation seem to exist in such organisations (Bredin, 2008). These features may all lead to governance problems in project based organisations (Lindkvist, 2004). Project based organisations or any other organisation for that matter organised differently, consist of individuals more or less working towards a common goal, thus the individual play a vital part within organisations.

Hence, problems noted in project based organisations may lie in the behaviour of individuals. In order to control and steer individual behaviour organisations utilise different kinds of reward systems. By designing reward and pay systems which are aligned with the business strategy and other organisational practices they can help driving both individual and organisational performance (Lawler, 1995). Thus, the provision of rewards, influence the behaviour of individuals (Deci, Koestner and Ryan, 1999). The project management community also recognises rewards and incentives as tools for influencing individual behaviour (Project Management Institute, 2008). In the literature, incentives are treated somewhat similarly to rewards and an incentive plan could be seen as another term for a reward system. An incentive on the other hand, could be viewed in broader terms and is defined as “an event or object external to the individual which can incite action” (Locke, 1968). Hence, similar to rewards, incentives also influence individual behaviour and incentives are recognised to control much of the behaviour in organisations (Baker, Jensen and Murphy, 1988). Examples of incentives include monetary rewards, deadlines, time limits and instructions (Locke, 1968; Kadehors and Badenfelt, 2009; Gibbons, 1998).

However, by not considering the surrounding organisational and business context the implementation of reward systems and incentive plans may lead to dysfunctional behaviour (Kerr, 1995) and conflicting incentives (Rubenfeld and David, 2006). Kerr (1995) identified several examples of reward systems promoting dysfunctional behaviour in a range of settings. Examples include the rewarding of quarterly earnings while the company hopes for long-term growth and the rewarding of individual performance when promoting team work. Moreover, individuals are influenced by

different rewards and incentives (Clark and Wilson, 1961). Thus the individual preference for certain rewards and incentives do affect the influential effect of the reward or incentive. With the increasing importance of construction project managers and the contextual features inherent in contractor organisations and construction projects, it would be interesting to examine the reward systems and incentives influencing construction project managers, i.e. construction site managers.

1.1 Aim and Objectives

Thus the aim of this study is to investigate how rewards, reward systems and organisational incentives influence construction site managers' in a large contractor organisation, Skanska Sweden AB. Three objectives derive from this aim, (i) identify construction site manager rewards and relate them to reward systems and organisational incentives influencing construction site managers, (ii) describe the situation for the construction site managers on the projects and within the organisation, (iii) analyse and discuss the identified rewards, reward systems and organisational incentives in relation to problems identified within project based organisations.

1.2 Method

In order to achieve the aim of the study a qualitative case study approach was undertaken in Skanska Sweden AB. The case was concentrated to a single district within the organisation. Data was collected using several different sources, including interviews, company documents, informal conversations with employees and research articles related to the relevant topics. The method will be further outlined in chapter 4.

1.3 Scope and Limitations

The study is conducted within, and thus limited by, the case mentioned above and it will describe the organisational context from both the organisations perspective and the perception of individuals working within the organisation. Although focus lies on the perceptions of the construction site managers, since the study aims to identify rewards, incentives and reward systems related to their role within their organisational context. The organisational perspective will be investigated through interviews with managers and by studying company documents and work procedures.

The study will be limited to identifying incentives and reward systems influencing the behaviour of individuals'. Hence, incentive contracting, which sometimes is used between organisations to come together under a common goal, typically used in construction partnering projects, will not be included. The reason for the exclusion is because incentive contracting aims to establish a relation between organisations and not between the organisation and individual employees. Moreover, laws and legislations regulating the construction industry are not included in this study. Neither, perceptions from other actors such as clients, sub-contractors, construction workers or consultants are considered in this study. Instead focus is directed towards the inherent managerial relationships of a large contractor organisation.

1.4 Structure of Thesis

Chapter 2 defines the industrial and organisational context of construction site managers and briefly presents previous research related to their role construction projects.

Chapter 3 presents the concepts of reward systems and incentives, as well as explaining how organisations utilise them to influence employee behaviour. Moreover, different types of rewards are presented.

Chapter 4 presents and explains the research methodology of the study as well as illustrating how the study was undertaken.

Chapter 5 presents the findings of the study in two sections where in the first, findings from company documents, the intranet and the company web page are included. The second section presents findings from the interviews.

Chapter 6 discusses and validates the study's findings with previous research.

Chapter 7 concludes the report by relating the findings to the aim of the study, as well as critically mentioning possible limitations of the study and proposing subjects for further studies.

2 Construction Industry

The construction industry has been described as a fragmented industry dependent on different specialists and organisations coming together to deliver construction projects (Dubois and Gadde, 2002). Even if the industry has changed over the years, from consisting of more specialist companies focusing on narrow tasks in the construction process, towards companies expanding and increasing their capabilities to become more competitive (Cacciatori and Jacobides, 2005), it is still dependent on several firms delivering the finished products. Projects are central in the construction industry and organisations within the industry tend to be project based (Hobday, 2000). In order to deliver the intended product several organisations form a temporary project organisation revolving around the construction project. This integration of organisations constituting a construction project and the inherent difficulty of the construction components adds to the complexity of the project (Gidado, 1996). Thus the planning and the execution of the project is complex. As a result of this the change in the industry has increased the responsibility of contractor organisations through new contract relations. This, in turn, Cacciatori and Jacobides (2005) argue, has led to that main contractors focus on developing their project management capabilities. In strengthening the leadership and management skills of managers, who have an important role since managers and entrepreneurs are agents for changing the institutional environment, the organisation will strategically influence its environment (Cacciatori and Jacobides, 2005). The following sub-chapters will introduce the setting of the study by presenting previous research on the subjects of, project based organisations, construction projects and construction site managers.

2.1 Project Based Organisations

Project based organisations have most of their business functions organised and carried out within projects, while in functional organisations, primary business functions are usually performed within departments (Hobday, 2000). A pure project based organisation could be described as an organisation in which all primary business functions are organised within major projects and there is no coordination over project lines (Hobday, 2000). However, project based organisations exists in several forms and Hobday (2000) distinguishes between the pure project based organisation and the project led organisation. The later organisational structure does involve functional coordination over project lines. Lindkvist (2004) refers to project based firms as being, “firms that strongly privilege the project dimension and carry out most of their activities in projects”. Researchers have found that just by organising a firm’s business as projects result in some interesting cases.

Project based organisations tend to be decentralised, have distributed work practices and also a short-term emphasis (Bresnen, Goussevskaia and Swan, 2004). These features of project based organisations were found in a case study aimed at exploring processes of change in the British construction industry. Moreover, a study conducted by Hobday (2000) identified other characteristics of project based organisations. The research was made by comparing how two different organisational structures, the project based and the functional matrix, differed in the execution of complex products and systems projects. In this case study, the project based organisation was more flexible and better able to cope with client changes than the matrix structure. Furthermore, the project based structure proved effective in managing uncertainties and risks inherent in complex projects, as well as integrating different types of skills and knowledge (Hobday, 2000). A case study investigating one firm’s shift from a

hierarchical organisational structure towards being project based found that project based firms are to a greater extent than hierarchical firms dependent on individuals (Lindkvist, 2004).

In contrast to the functional matrix structure, Hobday (2000) concludes that project based organisations are not preferred for performing routine tasks, coordinating cross-project resources, facilitating organisational wide technical development and learning, or for achieving economics of scale. One additional finding was that the project based organisation may conflict with the broader organisational objectives (Hobday, 2000). Likewise Bredin (2008) recognised tensions which appear to exist between short-term requirements of projects and the requirements of the organisation after reviewing literature related to human resource management in the context of project based organisations. Further, a comparative study of two project intense organisations report of problems in matching evaluation of performance and compensation. This is due to problems for the line manager in assessing and evaluating work performed in the projects. Thus, the role of the line manager as the link between the organisation's compensation system and the project is important in project intense organisations (Bredin and Söderlund, 2006).

One additionally perceived risk within project based organisations mentioned by Lindkvist (2004) is the autonomy of projects. He argues that independent projects easily become separated with each other and therefore, the firm would consist of nothing but disconnected projects. This notion and the degree of discretion caused by project work may lead to problems in governance of such firms (Lindkvist, 2004). Lindkvist's argument is somewhat supported by a study conducted by Bresnen, Goussevskaia and Swan (2004). The researchers analysed the implementation of a new management system in the context of a project based organisation. Results show how features of a project based organisation affect the change implementation process. Based on result from their study, the authors concluded that differentiation by projects negatively affected the change implementation process. This illustrates how differentiation by projects could resemble any other type of differentiation, for instance, by jurisdiction, domains or bases of power (Bresnen, Goussevskaia and Swan, 2004).

2.2 Construction Projects

A project is defined as "A unique, transient endeavour undertaken to achieve a desired outcome" (APM, 2006). The same definition could be applied to a construction project where the desired outcome represents the building, road or any other constructed structure. What makes construction projects special is the fact that they are often unique projects where different organisations deliver their contractually agreed services to reach the project goal, the finished product (Nicolini, 2001; Dubois and Gadde, 2002). This characteristic of construction projects adds to the complexity of the projects, which could be defined as depending on both the number of interrelations between organisations and the inherent complexity of the production process (Gidado, 1996). Furthermore, previous literature recognises construction projects to seldom maintain the same team for more than one project (Dubois and Gadde, 2002). This notion affects many factors contributing the successful implementation of construction projects noted in the literature, project chemistry among them. Project chemistry is dependent on "factors specific to the project and its individual members", as well as, "factors deriving from the organizations involved in the project" (Nicolini, 2001).

A construction project consists of several phases and with the changing conditions in the industry, reported in section 2, contractor organisations are left with increased responsibility over the whole process. This means managers in these organisations have more influence in the industry (Cacciatori and Jacobides, 2005). In fact construction project managers are being regarded as key resources in modern contractor organisations (Dainty, Raiden and Neale, 2004). Hence the nature of construction project managers and construction site managers becomes an interesting research field. Previous research has noted a problematic and dynamic working environment for construction site managers (Styhre and Josephson, 2006; Telem, Laufer and Shapira, 2006).

2.3 Construction Site Managers

Construction site managers are not only responsible for the production and technical matters on the site. They also need to be able to address matters connected to legal, human resource and administrative tasks. Furthermore, site managers tend to be working much alone with few or no colleagues in proximity. These characteristics of site manager work may cause the manager to experience a feeling of being stuck in between top-management and workers' expectations as well as between conflicting priorities and objectives (Styhre and Josephson, 2006). This resembles the situation of middle managers who are reported to be stuck in between different objectives and prioritisations. However, middle managers are by some researcher regarded as important players for implementing strategic changes in lower levels of organisations (King, Fowler and Zeithaml, 2001).

Studies conducted in order to describe and understand the role of construction site managers revealed a dynamic, often stressful working environment where work load sometimes was extremely high whereas sometimes being at more normal levels (Styhre and Josephson, 2006). Sommerville and Craig (2010) report how a construction manager takes on many roles and tasks including decision-making, motivating employees and planning. Interestingly, what tasks the managers focused on shifted with age. The dynamic nature of the working environment for construction site managers led to managers had to deal with changes in operating mode and focus. One study concludes that the more dynamic the environment was the more dynamic the manager had to be and this resulted in the end to a more stable working environment for the people working under them (Telem, Laufer and Shapira, 2006). An explanation to the dynamic environmental conditions was the prioritisation and fragmentation of site manager work. Site managers felt obligated to prioritise between construction related work and administrative work in order to handle the heavy work load (Styhre and Josephson, 2006).

By understanding the nature and obligations of construction site manager work as well as the environment where they reside, the construction industry can evolve further. So by focusing on changing the behaviour of key players, in this case construction site managers, in contractor organisations the whole industry will evolve. In order to influence individual behaviour organisations can use rewards and incentives, hence the next chapter will deal with these topics.

3 Reward Systems, Incentives and Rewards

Reward system, reward strategy, incentive plan, incentive structure etcetera are all terms used in the literature describing the systems or plans organisations utilise in order to influence the behaviour of its employees' (Kerr, 1995; Rubenfeld and David, 2006). The following section will introduce the concepts of reward systems and incentives as well as describe how organisations utilise these with the aim of influencing its employees. Lastly, it will present the concept of rewards and propose that individuals value different types of rewards.

3.1 Reward Systems

Reward systems are methods of achieving control in organisations as well as defining the relationship with the individual employee and the organisation (Kerr and Slocum, 2005). Equally, a reward system denotes what is expected of the individual employees and what they may expect in return. Further, reward systems are ways of promoting individual and organisational behaviour needed to achieve the organisational strategy and the organisation's goals (Lawler, 1995; Kerr and Slocum, 2005). Lawler (1995) draws on previous research when implying that reward systems influence a company's strategy implementation in six ways, (1) by attracting and retaining employees, (2) by motivating performance, (3) by promoting skills and knowledge development, (4) by shaping corporate culture, (5) by reinforcing and defining structure and (6) by determining pay costs. Furthermore, how employees are compensated, how the compensation is delivered and in what form compensation is provided signals what values, goals and priorities companies have (O'Neil, 1995).

Traditionally, job specifications, levels of compensation in the marketplace and the need to maintain equity among employees were used to determine the level of base salary, which was the traditional way of rewarding employees (Kerrin and Oliver, 2002). Nowadays the level of reward is more often determined by individual performance using bonus systems and individually set salaries based on individual achievement (Lawler, 1995). Thus, performance and rewards constitute vital parts of the reward system. However, how performance is defined, evaluated and measured differs between organisations, also the utilisation and variety of reward types differ among organisations (Kerr and Slocum, 2005). In a study aimed at investigating reward systems and corporate culture, Kerr and Slocum (2005) revealed two extreme types of corporate cultures and reward systems. The first extreme identified, was named corporate hierarchy. Here, subjective assessment was used to evaluate and determine employee performance when rewarding their employees. In the other extreme, named the performance based, quantitative measures connected to corporate and individual results were used when evaluating and rewarding its employees. Hence the corporate hierarchy emphasises relations between superior and subordinate as being important when rewarding employees, whereas in the performance based objective measurements are emphasised. Both systems disbursed variable bonuses depending on performance, the difference was that the corporate hierarchy paid out a collective bonus, whereas the performance based system paid out individual bonuses. Another significant difference found was the distribution in compensation between the two systems. The corporate hierarchy awarded the base salary a higher portion than did the performance based system, which put more emphasis on performance bonuses. The researchers point out that in most companies the two extremes identified in their study usually co-exist within organisations (Kerr and Slocum, 2005).

However utilising reward systems is no guarantee for individuals behaving the way the organisation intended. This is recognised by Kerr (1995). He argues that reward systems might lead to dysfunctional behaviour by rewarding actions not sought for by the organisation. One example of this is provided from business where companies hope for long-term growth although reward on quarterly earnings. This suggests how the reward systems in use are in conflict with the organisation's business goals, a problem still present in many U.S. corporations (Milne, 2007). Furthermore, Kerrin and Oliver (2002) showed in a study how reward systems can be of contrary nature. The study concerned how the use of team based and individual based rewards affected the continuous improvement work in a manufacturing context. The investigated company had made an organisational change in implementing quality improvement teams and rewarding them for improvements. However, they did not disregard of the old system, a suggestion scheme rewarding individuals for improvement ideas, which had been in place for many years in the company. The implication of having both reward systems in use was, among others, that employees withheld ideas when working in the team and instead provided their ideas through the suggestion scheme. In summary, the two systems used in the case company contradicted each other (Kerrin and Oliver, 2002). Thus, it becomes important to understand the whole organisational context when designing and implementing reward systems.

3.2 Incentives

Similar to reward systems, what kind of incentives the organisation offers to its employees will influence the behaviour of individuals within the organisation (Baker, Jensen and Murphy, 1988). An external incentive is defined by Locke (1968), "...as an event or object external to the individual which can incite action". Therefore, offering the right incentives to the organisation's employees will benefit the organisation. In a paper by Kadefors and Badenfelt (2009), the authors define three roles for incentives in organisations. The first role being, incentives as sources for extrinsic motivation, here the focus is on the direct effect incentives have on individuals. The symbolic role of incentives is also recognised, meaning that intrinsic motivation, trust and collaboration may be enhanced or decreased based on how the underlying incentive is perceived. Lastly, the third role relates incentives to the influence on organisational processes and is called; incentives as process generators (Kadefors and Badenfelt, 2009).

Clark and Wilson (1961) place incentives under three different categories being material, solidary and purposive incentives. Under material incentives tangible rewards, such as salaries, bonuses and other rewards which easily can be translated to monetary value, are placed. The second category involves mostly intangible rewards which do not have a monetary value, examples include, socialising, the sense of group membership, fun, status etcetera. Solidary incentives are not directly connected to the purpose of the organisation. Finally, purposive incentives are also intangible as the solidary. However, purposive incentives are aligned with the end purpose of the organisation. Consequently purposive incentives are often equal to the goals of the organisation (Clark and Wilson, 1961).

In a paper by Locke (1968), the author reviews previous research investigating the relationship between task performance and consciously set goals. He found that the investigated incentives did not affect performance separated from the individual's goals and intentions. However, incentives did affect the goals and intentions of individuals. Incentives investigated in the previous research included; instructions,

money, knowledge of score, time limits, participation, competition, praise and reproof. For these incentives to affect behaviour, incentives must be recognised and evaluated by the individual who then will base his/hers level of goals on that evaluation (Locke, 1968). Figure 3.2.1 below illustrates the described process.

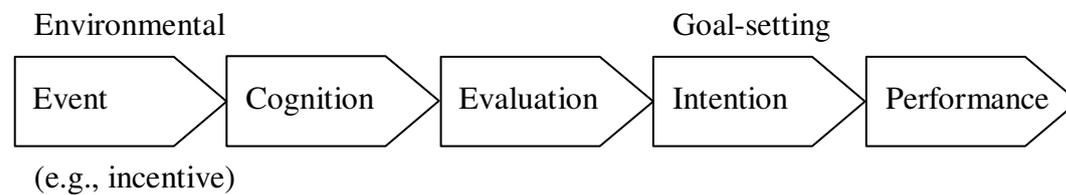


Figure 3.1 Relation between an incentive and goal-setting

Thus individuals are influenced by different incentives and “a given incentive may have more effect upon some individuals than others” (Clark and Wilson, 1961). However, incentive literature does in general treat organisational and personal goals as being equal. Thus, the literature does not recognise the differing goals organisations and individuals may have (Bresnen and Marshall, 2000). Further, Kohn (1993) argued, in a critical article in *Harvard Business Review*, for how incentives and rewards provided by organisations do not work, as the individual motivators they are intended, in the long run. However, rewards and incentives for individuals have proven to provide temporary compliance and changed behaviour in the short-term.

Reasons behind the extensive use of incentive plans in corporate America (Milne, 2007), Kohn (1995) argues, could be lack of time in investigating connections between incentives, productivity and workplace morale. Further arguments are the inadequacy of psychological assumptions and the constant use of rewards in upbringing, “do this and you’ll get that” (Kohn, 1993). An additional reason is provided by Cox, Brown and Rilley (2010), in a literature review paper, who also suggests negligence towards psychological factors as one reason, the cause for this being partly how reward management is theorised as an economic subject. However, previous literature does not only recognise monetary incentives to be used within organisations. Promotions and being rewarded for acquiring specific skills are also mentioned (Gibbons, 1998). Moreover, externally imposed constraints such as deadlines, control (Kadefors and Badenfelt, 2009) and job restrictions (Gibbons, 1998), as well as social rewards are mentioned in previous literature (Kadefors and Badenfelt, 2009).

When implementing incentive plans within organisations, Rubenfeld and David (2006) stress the importance of considering the payout criteria, the frequency and timing of the payout, the sum of the payout, and lastly the employees covered by the incentive plan. Also, utilising multiple incentives within the same context might lead to problems for employees to identify organisational priorities and neglecting activities which are not tied to an incentive (Rubenfeld and David, 2006) and possibly harm social relationships (Kohn, 1993). Analysing how multiple incentives interact is therefore vital. Athey and Roberts (2001) realise this inter-linkage by stating; “the means available to affect one sort of behavior or decision inevitably affect the incentives governing other choices”. Moreover, the use of incentive plans in different levels within organisations may lead to conflicting incentive plans (Rubenfeld and David, 2006).

One example of a dysfunctional incentive plan where employees worked in their own interest to receive the promised incentive payout is brought up by Gibbons (1998) in a

review of organisational incentives. Here managers received a bonus if earnings increased from prior year. Thus, some managers included under the incentive plan manipulated the times for shipments and paid in advance for services not yet received in order to increase growth compared to prior year. Moreover, Kohn (1993) draws on studies investigating the effect of organisational incentives on motivation. Results in previous studies suggest that individuals expecting rewards do not enhance their performance compared to persons not expecting rewards plus no correlation between managerial incentives and organisational performance. Instead, one comprehensive study by Guzzo in the eighties on the subject found training and goal-setting programmes to be of greater motivation than incentives and rewards (Kohn, 1993). On the contrary, Renn (2001) reports of increased productivity among workers working under an earnings at risk incentive plan. However results also show that they were dissatisfied with their base wage. These examples show that incentive plans do influence individual behaviour however incentives must be adopted to fit its surrounding environment.

A problem related to incentive plans is to assess the individual performance upon which the level of payout is determined in the incentive plan (Baker, Jensen and Murphy, 1988). Two types of measuring and assessing performance are mentioned in the literature, objective performance measurement, also known as quantitative, and subjective performance measurement, also known as qualitative. The first type considers the fulfilment and achievement of predetermined indicators and bases the level of payout upon them. Subjective performance measurements on the other hand, determine performance through superiors' assessment of the estimated contribution by the employee to the firm. Subjective performance assessment is often used when determining future promotions, future compensation and continued employment (Gibbons, 1998). Such relational incentives are subjective and they are agreements enforced by the included parties' concern for their reputation (Gibbons, 1998). In a multitask setting it is recommended to use multiple incentive packages and the use of both formal and relational incentives reduces the distortion of an employee's incentives.

3.3 Reward Types

Previous literature recognises rewards to be of either intrinsic or extrinsic nature (Mahney and Lederer, 2006; Bresnen and Marshall, 2000; Deci, Koestner and Ryan, 1999). Intrinsic rewards are those rewards existing in the job itself, for instance interesting and challenging work, while extrinsic rewards are tangible, such as salary or bonuses (Hertzberg, 1987). Building upon previously constructed reward dimensions Chen, Ford and Farris (1999) used this in a study aiming to find how different reward types benefit organisations. Table 3.1 below describes the different types of organisational rewards used in their study. The reward types used in their study were intrinsic rewards such as autonomy and responsibility, collective rewards for instance profit-sharing and medical insurance, variable (individual) rewards such as a monetary bonus, fixed (individual) rewards, salary increase, and socioemotional rewards including for instance awards and recognition. Intrinsic collective and collective socioemotional were also identified, however disregarded since such rewards seldom are used in corporate America (Chen, Ford and Farris, 1999). Table 3.3.1 below illustrates examples of rewards belonging to the different types.

Table 3.1 Organisational reward types (Chen, Ford and Farris, 1999)

Intrinsic	Feelings of competence, autonomy, responsibility
Collective	Medical insurance, profit sharing (more egalitarian than individual). Rewards that are system-wide and provided to a broad classification of employees.
Variable	Rewards which are provided one time only, such as merit bonus
Fixed	Rewards which are added on base salary, such as merit pay increase
Socioemotional	Awards, recognition, (dinners, tickets has limited monetary value and counts therefore as non-monetary)

The effects of different rewards are investigated in many contexts (Mahaney and Lederer, 2006; Chen, Ford and Farris, 1999). Mahaney and Lederer (2006) studied how the use of extrinsic and intrinsic rewards affected project success. Three factors of project success were identified, as well as different intrinsic and extrinsic rewards. Client satisfaction and perceived quality were found to have a correlation with intrinsic rewards, whereas implementation process correlated with the use of extrinsic rewards. The study also found that the correlation between the intrinsic rewards and project success was stronger than the correlation between the extrinsic rewards and project success. This finding supports Herzberg's (1987) theory of intrinsic motivators being stronger than extrinsic (Mahaney and Lederer, 2006. In Chen, Ford and Farris's (1999) study they examined the perceptions of research and development professionals. Using their identified organisational reward types, the researchers' result listed intrinsic rewards as being the most beneficial for organisations, while individual variable rewards were regarded being least beneficial. Fixed monetary rewards were regarded to be more beneficial than variable. Thus organisations would benefit the most from offering freedom and autonomy in combination with financial security and stability to research and developers (Chen, Ford and Farris, 1999).

In line with Herzberg (1987), Kohn (1993) argued for how rewards have the possibility to undermine interest. Extrinsic motivators, such as monetary rewards, are more destructive if tied to activities perceived to intrinsically motivating and will in these cases be negatively motivated. In a meta analysis examining the effects of extrinsic rewards on intrinsic motivation the result showed how extrinsic tangible rewards negatively influenced the intrinsic motivation. Results from the same study also suggest the effect of tangible rewards be correlated with age (Deci, Koestner and Ryan, 1999).

An additional way of defining rewards is using the *total rewards* concept, which is considering what the employee actually values in the relationship with the employer. In total rewards organisational rewards are divided into four different reward categories, being (1) Compensation, (2) Benefits, (3) Development and (4) Work Environment (Kaplan, 2005). The first includes salary, bonus programs and equity programmes. Benefits encompass health and welfare as well as other benefits programmes such as child care or memberships in fitness centres. The third category, development relates to programmes and measures related to learning, skill development and personal growth. Lastly, work environment includes both tangible

and intangible rewards promoting a positive working environment. Examples include flexible working times, recognition and job design. Table 3.3.2 below is adopted from Kaplan (2005) and illustrates examples of rewards under each category included in the total rewards concept.

Table 3.2 Total rewards categories and examples of rewards, adopted from Kaplan (2005)

Compensation	Benefits	Development	Work Environment
Base Salary	Health Care	Career Planning	Flexible Workweek
Annual Incentives	Life Insurance	Succession Planning	Telecommuting
Long-Term Cash Incentives	Disability	Professional Membership	Job Design Modifications
Equity	Retirement	Training Programs	Comfortable Workstations
Spot Awards	Child-Care Resources	Annual Conferences	Recognition Programs
Project Incentives	Fitness Center	Mentoring Program	Community Volunteer Programs
Employee Referral Program	On-Site Conveniences	Lunch and Learns	Business Casual Dress Policy

Here, rewards included in the two first categories are of transactional nature, which means they are of monetary nature and involve specific programmes. In the development and working environment categories on the other hand, rewards are relational. Hence they are related to emotional aspects of an employment relationship (Kaplan, 2005). Moreover, Kaplan (2007) stress the importance to consider relational rewards to employees, since these are not easily replicated by competitors and relational rewards strengthen individual commitment. Additionally, transactional rewards must be set so that organisations are able to attract and retain talented employees.

4 Research Design

In this section the research methodology is defined and motivated. Moreover a description for how the study was undertaken is presented.

The research aim is to investigate how rewards, reward systems and organisational incentives influence construction site managers' in a contractor organisation. In order to achieve this aim a qualitative research approach designed as a case study, investigating one district in Skanska Sweden AB, was chosen. A qualitative research approach was selected over a quantitative approach because the study aimed to describe the situation of the construction site managers as well as capturing their attitudes and perceptions regarding rewards and reward systems. Furthermore the use of semi-structured interviews does not allow for comparison between the interviews. Additionally, the data collected will to a great extent consist of qualitative information in the form of texts and audio recordings, hence making a quantitative approach impossible.

A case study was chosen as research method since it is used when trying to understand contemporary social phenomena in its real life context, as in this case. Further, the boundary between the studied phenomenon and its context is not clearly visible. Moreover, because the aim of the study is defined with a how-question a case study is appropriate (Yin, 2003). Additionally, the lack of theory dealing with the relation between reward systems and construction site managers called for case study approach (Eisenhart, 1989; Dubois and Gadde, 2002).

In line with Dubois and Gadde (2002) a systematic combining approach was used in this study. The main feature of a systematic combining method is the continuous shift between the modelled and empirical world. This means there are no clear phases in the research process and the framework is evolving with new data during the entire research process. Dubois and Gadde (2002) refer to this process being neither inductive nor deductive, but abductive, meaning that empirical analysis and data collection is conducted simultaneously. In systematic combining the theoretical framework, case analysis and empirical fieldwork progress concurrently and according to Dubois and Gadde (2002), this method is useful when developing new theories, hence it was deemed appropriate in this case where little is known beforehand. Two important features in systematic combining are matching and direction and redirection. Figure 4.1 below illustrates the process of systematic combining. Here, matching is described as going back and forth between the four components of systematic combining. Direction and redirection of the study is according to Dubois and Gadde (2002) important to achieve matching.

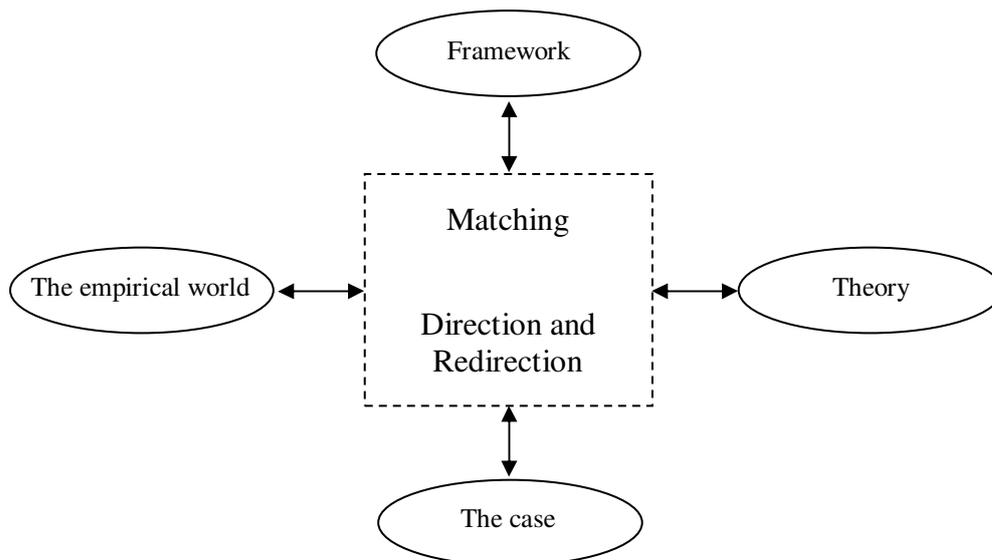


Figure 4.1 Systematic combining (Dubois and Gadde, 2002)

At the start of the research process a literature review of the main concepts was carried out. A few weeks into the process a meeting with Skanska Sweden AB was held, the research direction and aim based on the initial theoretical review was presented. A case study framework, based on the literature review, was developed to guide the data collection. The actual case in this study consisted of one district in Skanska Sweden AB where the main data source constituted approximately 10 semi-structured interviews with managers within the district plus one recorded interview with a business developer. Due to anonymity reasons the exact number of interviews is not mentioned since that could help identifying the interviewees. All but one manager in the case were interviewed, thus making it almost a complete sample. Managers from four different levels were interviewed, production manager, project manager, district manager and regional manager. Roles are better explained in 5.1.4 *Role Definitions*. The rationale behind interviewing managers from solely one district was to get a homogenous sample. Since the districts may differ in management style, the type of projects they run and possibly size or other conditions affecting the organisational context, the sample would not have been homogenous if individuals employed in other districts were included in this study. Focus in this study is on the production managers, thus interviews with other managers and the business developer were used in order to understand the organisational context. Being situated at Skanska's office also provided opportunities to conduct informal conversations with employees, this aided in understanding work processes and the organisational context.

The interviews were either conducted at Skanska's office or on different construction sites and the interviews lasted for approximately 60 minutes. Interviews were semi-structured, which left room for the interviewees to reason around the questions. Moreover, interview technique and interview questions were altered during the progress, this in order to complement new interesting information found in the literature or previous interviews. This makes it impossible to compare the interviews, although they provide a more holistic view. The interviewees were between 30-60 years old and had all been working for Skanska for some years which made them familiar with Skanska's way of working although some interviewees had more experience in their current role than others. In the interviews the interviewees seemed to provide reliable answers on most questions. Even so, using interviews as main data source for research is contested since interviewees may leave out important

information or say one thing but do another (Alvesson, 2003). For the process of analysis the interviews were transcribed *verbatim* and data related to the research objectives were extracted for a better overview. In addition to the interviews, internal company documents, such as business plans and company surveys, and external, such as annual statements were used as data in this case study. However, this documentation was primarily used in section 5.1 case organisation in order to present information from the organisation's perspective.

5 Findings

In this chapter, the findings of the study will be presented in two sections Case Organisation and Interview Findings. The first section will present data found in company documents, the intranet and the company webpage. Whereas, in the second section data extracted from the interviews are presented.

5.1 Case Organisation

Here the case organisation, Skanska, is presented. This section focuses on describing Skanska from the organisation's perspective. First, the organisational structure, strategy and organisational governance are presented. Further, the responsibilities of the managerial levels included in this study will be briefly described. Lastly, a brief overview of the organisations performance measurement systems and organisational reward systems influencing production managers are presented.

5.1.1 Organisational Structure

Worldwide, Skanska employs over 51.000 people, which makes Skanska one of the largest contractors in the world and Skanska Sweden AB to one of the largest contractors in Sweden. In Sweden, Skanska is divided into divisions based on geography. The divisions are divided into operational regions, also according to geography. This makes the organisation decentralised although the operational regions are supported by common work procedures and common business objectives. Within the different regions there are number of districts. The number of districts in the region depends on the region's market conditions. Under the district manager, a number of project managers are responsible for the projects executed within the district. The project managers could be responsible for several projects at the same time. Production managers are responsible for the daily operations on the site of the project and reports to the responsible project manager. Hence production managers are Skanska's equivalent to a construction site manager. Depending on the project, the production managers are in charge of a number of production leaders and construction workers. The regional chart, figure 5.1, below illustrates how a typical region is organised. It also suggests the production managers within the studied district do not belong to a specific project manager. Instead, the production managers could be described as a pool and they can be assigned to any project under any of the project managers. However, this is not the same for all districts. In some of the districts production managers are assigned to a specific project manager. Additionally, each region is supported by functional support departments organised around specific business areas. The support functions are: health and safety, economy, human resources, procurement, calculation and environmental support.

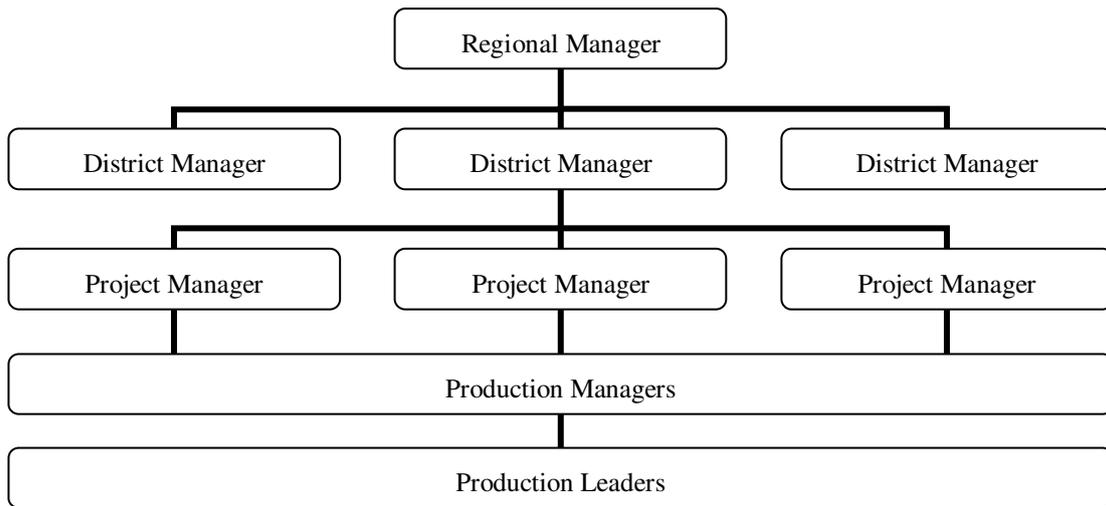


Figure 5.1 Regional chart

5.1.2 Organisational Strategy

The core in the organisation is the construction projects where value is generated and the goal is that every project should be profitable and delivered according to the values of the organisation as expressed in the five qualitative goals; zero loss-making projects, zero work site accidents, zero environmental incidents, zero ethical breaches and zero defects. Apart from the qualitative goals, the organisation strives to achieve its financial goals. In order to achieve all its goals, the organisation has developed a strategy focused on, among others, following areas:

- To focus on its core business in construction and project development
- To execute all projects with zero defects according to the customer's expectations
- To recruit, develop and retain competent employees and to take steps to achieve increased diversity
- To be an industry leader in sustainable development, particularly in occupational safety and health, ethics and the environment
- To take advantage of the efficiency gains that can be achieved through greater industrialization of the construction process

Furthermore, the organisation emphasises the importance of good leadership in order to achieve profitable construction projects. The relation of these two notions is illustrated in Skanska's value chain below.

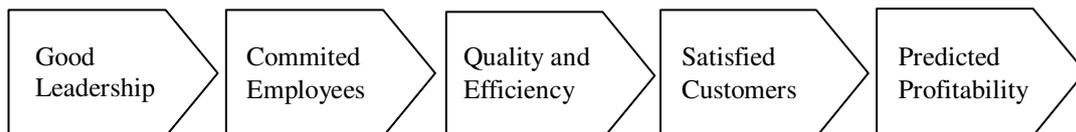


Figure 5.2 Skanska's value chain

5.1.3 Organisational Governance

To achieve its business objectives the organisation is governed by its core values, code of conduct and its business strategy. The core values, the code of conduct and the overall business strategy are the same all over Sweden. However, to achieve the

business strategy, it is broken down into targets and actions in business plans all the way down to project level. First, targets and actions are set for the national level in the national business plan. Secondly, the national targets are modified to fit the different regions' business plans. Lastly, the district's business plan, with appropriate targets and actions to fit the local conditions, is developed from the regional plan. At each level of the business plan there are some targets, with high priority, which have to be included in the lower level. At project level, prioritised targets from the district business plan are incorporated in the project plan. Project plans also specify project specific goals, and determine the project organisation and project responsibilities, which steer the daily project work.

5.1.4 Role Definitions

Defining a role and creating job descriptions are clearly related to job restrictions and giving instructions which are two incentives identified in the literature review. Hence briefly presenting the responsibilities of the interviewed managers becomes interesting for this study.

Regional Manager

The regional manager is the highest manager of the decentralised region organisation and he reports to the vice president. Compared to the responsibilities of the district manager the region manager's responsibilities are of a more strategic orientation and his perspective stretches over a longer time-frame.

District Manager

The district manager is responsible for the operations within the district and reports to the regional manager. Job assignments for the district manager include customer care, marketing analysis, submitting project tenders, assigning projects to subordinates and managing the district according to the organisation's management system. Moreover, personnel recruitment, personnel planning and setting of wages, are responsibilities assigned to the district manager.

Project Manager

The project manager is economically responsible for a number of projects as well as responsible for following up on project goals. Additional responsibilities are staffing and management of the projects, procurement in the project, design project plans and customer relations. The project manager is also in charge of initiating business development in the projects and reports to the district manager.

Production Manager

The production manager's main responsibility is to manage the onsite production against the project plan. Furthermore, production managers are responsible for the working environment on the site, as well as for quality and environmental issues during the production phase. Production managers should also participate, together with project managers, in larger procurements and in developing good customer relations. Developing employees and pursuing business development in the project are also responsibilities of the production manager.

5.1.5 Performance Measurement

Skanska uses different performance measurement systems to determine employee and organisational performance. Since performance measurement and goal setting is identified as incentives in the literature review, how Skanska measures the success of

the organisation and its employees clearly becomes interesting for this study. Here, focus will be on the performance measurement systems which have an effect on production managers.

Balanced Scorecard

The organisation applies a balanced scorecard approach in order to guide and steer the operations in the regions and the districts in the right way. The purpose with the measurement system is to see in what direction the operation is going. It is also a way for the organisation to compare results and exchange experiences within the organisation since equal performance measurements are utilised in the whole organisation. Four different perspectives are measured in the balanced scorecard, finance, customer, co-workers and operation mode. Within the four perspectives a number of indicators are measured. The frequency of the measurements varies from once every year to four times per year, which is the case for the financial results.

Co-worker Survey

The aim with the co-worker survey is to map the employees' work situation. Both white collar and blue collar employees are included in this yearly anonymous survey. Questions in the survey are for instance related to motivation, working environment, development and perceptions of their manager. Some of the questions in the survey are used as indicators in the balanced scorecard.

Customer Survey

The customer survey is a tool aimed to obtain feedback from customers about how they perceive the work performed by the organisation. Skanska stress this is important since it will lead to improvements. Projects which have delivered above 40 percent of its total financial value are included in the survey as well as finished projects since the last survey. Some results from this survey are also included in the balanced scorecard.

Performance Review

In the performance review, the nearest manager with staff liability and the employee together establish tangible goals for the development of the employee. Performance reviews are held once every year, and a review of previous year's performance and development is also included. Moreover, it is also the basis for the yearly wage discussions. For the production managers, district managers are responsible for conducting the performance reviews. Past and present performance is reviewed and new goals are established in the development plan by the district and the production manager. The starting point in the development plan is an assessment of the production managers' competencies made by the district manager as well as the employee's goals and ambitions.

5.1.6 Reward Systems and Incentive Plans in Skanska

The reward systems and incentives presented under this section were all identified through studying company documents and the intranet.

Dual Career

Dual career is a programme aimed towards project and production managers. The purpose with the programme is to motivate these managers to stay within their roles. Dual career is a career path within the role, which is combining a higher performance bonus, base salary plus increased responsibility with each step in the career path. Basically, level one production managers are entitled to lower bonus levels than a

level two. Also, level two managers are eligible to manage larger projects compared to level one managers.

Base Salary

The base salary is based on current market value and it is paid out on a monthly basis to all employees. The level of the base salary is determined by the employment position. However, salary levels also vary between employees having the same position since salaries are individually det. Salary discussions are held once every year and the increase in salary should reflect the performance of the previous year. This is decided by the manager with personnel liability.

Bonus System

Some positions within Skanska receive a yearly bonus, determined upon different parameters and the financial result of their operations. In the case district, all positions described in 5.1.4 role definitions are included in this bonus system. Although, depending on managerial position the level of the possible bonus payment varies, as well as the parameters, on which the employees' performance is measured. Project and production managers' bonus payment is determined on the financial result of their projects and the financial result of the district. Their bonus shares may be reduced if other qualitative parameters are not met. District managers are evaluated using the same logic, their bonus is based on the district's result and the region's result.

Shareholding Programme

Every employee has the possibility to join the organisation's shareholding programme, which according to Skanska will increase employee dedication. Employees who join the programme may receive additional shares when the programme comes to an end in three years. The amount of shares depends on Skanska's result and the position of the employee.

Benefits

Skanska offers different types of benefits to its employees depending on position. According to the organisation benefits are considered as remuneration which is not cash payments.

Internal Awards

Within Skanska, employees and projects have the chance of being rewarded by receiving internal awards. Individual high performing employees within the region can receive recognition by winning the bronze hard hat. Winners are determined based on their results the past year. Skanska also recognises initiatives taken by either individuals, working groups or projects in the fields of green solutions and health and safety.

Education

A large amount of educational programmes and courses are offered to the employees in Skanska, some programmes are open for everyone, however some are only offered to employees having a specific position. Skanska do not regard education as a reward to its employees, however educational programmes was identified as rewards in the literature.

5.2 Interview Findings

In this section findings from the interviews are presented starting with the identified rewards associated to the production managers' situation. Then the identified rewards are related to incentives and reward systems identified in the interviews. Lastly the project work is described with the emphasis on how production managers choose to prioritise their work.

5.2.1 Identified Rewards

In this study, rewards are defined using the total rewards concept, hence a reward is defined as everything employees, in this the case production managers, value in their employment relationship (Kaplan, 2005). By asking questions regarding what production managers perceive as motivating, rewarding and what they like in their working situation, as well as why they were attracted by Skanska and why they remain within the company, rewards were identified in the interviews. Rewards identified, through company documents and the literature review, were also discussed in some of the interviews. Many of the rewards were mentioned by more than one production manager but no ranking of the most mentioned rewards can be presented as the use of semi structured interviews in the identification process does not permit this. Furthermore, ranking the rewards is not the purpose of the study. Still, it is of interest to see what the production managers consider to be rewarding in their employment relationship. Monetary rewards were mentioned by all interviewees, and rewards categorised under social relationships and project environment, in table 5.1 below, were mentioned by the majority.

In order to better visualise the perceived production manager rewards, similar rewards were grouped together and categorised as table 5.1 below illustrates. The categories indicate from where the identified rewards derive.

Table 5.1 Reward categories and identified rewards

Reward Category	Identified Rewards
Rewards tied to Job Position	Interesting and fun work tasks, Be in charge
Rewards tied to Project Setting	Freedom, Variation in tasks, Possibility to affect work tasks, Reasonable workload, Variation of projects, Learn new things
Rewards tied to Personal Values	See results, Reach goals, Fulfil people's expectations, Increased responsibility, Get the project you want
Rewards tied to the Company	Job security, Interesting projects, Work abroad, Fixed pay, Variable pay, Shares, Working clothes, Development, Promotion, Education, Try different roles, Feedback, Recognition
Rewards tied to Social Relationships	Great relations, Good working climate,

	Meeting people
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5.2.2 Identified Reward Systems and Incentives

The following section identifies the reward systems and incentives leading to the attainment of the identified rewards as well as relating the identified rewards to the constructed reward categories. Drawing on the literature review above regarding incentives and reward systems they are somewhat treated similarly in previous literature. Both reward systems and incentives induce actions upon individuals. Furthermore, both concepts may lead to a reward in some form, either extrinsic, the most obvious being monetary compensation, or intrinsic, for instance increased responsibility or the feeling of freedom. Drawing from the literature review above incentives could be more widely defined than a reward system. In this section incentives and reward systems affecting the potential attainment or the level of possible rewards is identified and related to the reward category and perceived production manager reward.

5.2.2.1 Rewards tied to Job Position

The rewards categorised under the job position category are all distributed and dependent by the job description, which is an incentive describing and restricting the employees work tasks and responsibilities (Gibbons, 1998). By defining work tasks in job descriptions and role definitions the organisation governs what the employee should focus on. In this case, when looking at project work, the project plan also defines project specific tasks and responsibilities. Thus, both the project plan and the job description distribute the rewards which are tied to the job position. The following statement symbolises how one production manager reasons regarding his job. This opinion is shared by the majority of the interviewees.

No but I also think it is very fun being in the production. So, there are many different work operations. You do not sit in your office for eight hours you are, like me, I am very much outside in the production. And I find that being very fun. Simply put, the variation in the job somehow. (Production manager).

Table 5.2 Job position related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	<i>Identified Systems and Incentives</i>
Rewards tied to Job Position	Interesting and fun work tasks, Variation in tasks, Be in charge	<i>Job description, Project plan</i>

5.2.2.2 Rewards tied to Project Environment

All rewards in this category are connected to working in projects. Some interviewees feel rewarded by having the freedom to manage their construction site after their own head. As suggested in previous research (Lindkvist, 2004), this lack of central governance may be provided because the organisation is project based. Meeting new

people, variation of projects and learning new things are all factors which are according to the interviewees related to changing project environments.

If I would have worked at Volvo, I do not think I would have managed to work there for 43 years. So, it is the projects, the fact that they are changing. One day you drive one way and the next day you drive the other. (Production manager).

... it is a free job. Going from place to place. If you look into the SKF-office you wonder how long he has been sitting by the same desk... 35 years? It cannot be very inspiring. (Production manager).

The project plan governs the prerequisites and responsibilities of the project the possibility to affect work tasks and a reasonable workload are to a great extent contingent upon the project plan. It is the responsibility of the project and district manager to set the plan hence they control the workload and what the project should focus on. *“That is done by project manager and district manager and the people at the site. They discuss together which objectives to focus on” (Production manager).* In this statement all project workers are involved in setting the project plan. The project plan also set roles and responsibilities and that is a prerequisite for a reasonable workload.

I think it is seldom you hear of someone who is completely worn out or managing every task thinkable. I think it is somehow clear working tasks that lie within the boundaries for what you can... I think that leads to a lot, that you somehow appreciate your work. (Production manager)

Drawing from the statement above the project plan sets the prerequisites in the project, if however, the workload is increasing due to problems. Production managers have some freedom to plan around this.

Table: 5.3 Project environment related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	Identified Systems and Incentives
Rewards tied to Project Environment	Freedom, Meeting people, Possibility to affect work tasks, Reasonable workload, Variation of projects, Learn new things	<i>Project based organisation, Managers, Project plan</i>

5.2.2.3 Rewards tied to Personal Values

Personal values and interests seem to be a motivator for the production managers and intrinsic rewards such as reaching goals and fulfilling people’s expectations could be distributed through intended systems or incentives. Performance measurement systems, is an example of an intended system, which influence the production managers. However, noted in this study, the measurement has to feel relevant to the individual.

Well, perhaps satisfied customer [index] is something you can relate to. But the employee survey, to be honest, you do not really take it to your heart, it is too general. They say in some region meeting, here is the figure

right now. Then I do not sit there and take it to my heart, I do not. However, satisfied customer index, that is more connected to the project you have been responsible for. So I value that one pretty much. (Production manager).

Thus it is argued that some measurements are more influential than others. However, as seen in the literature review performance measurement or knowledge of score is defined as an incentive influencing individuals (Locke, 1968). Not only feedback from formal performance measurement systems seem to influence the interviewees, the informal feedback they get from seeing results in work itself also seem to be rewarding for some. “...to rewind and see what you had done during the day that gave satisfaction.” (Production manager).

Everything you work with and plan is all the time ongoing, you can go out and look at the result within a week. It is a little like that. It is so close in time and that in itself creates a commitment which is related to the motivation. (Production manager)

Since the project plan and the personal development plan include project- and individual development goals, these two plans are incentives to reach the set goals. Furthermore the development plan is related to personal and professional growth as well as increased responsibility which is seen as a reward by some production managers. Additionally, one of the production managers explicitly mentioned fulfilling other people’s expectations as being rewarded, this reward is together with reaching goals and seeing results should be dependent upon the production manager’s own personal values.

The possibility of getting an interesting or fun project was mentioned by some as being positive with their situation. This is however not only dependent on organisational processes, your competence, your relation with the manager, but also greater external factors such as, economic climate and available projects do influence.

Table 5.4 Personal values related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	Identified Systems and Incentives
Rewards tied to Personal Values	See results, Reach goals, Fulfil people’s expectations, Increased responsibility, Get the project you want	<i>Performance measurement systems, Project plan, Performance review, Managers, Job description, Social Relationships</i>

5.2.2.4 Rewards tied to the Company

The rewards identified under this category represent rewards which are available because of certain features of the company or are distributed through company processes. The majority of the production managers mention job security as a reason for staying at Skanska, job security is somewhat dependent on the size of the company, as one interviewee argues.

But there is also some form of security, so to speak. A large company has a better span when it comes to retaining its personnel you could say. So I have reasoned for quite some time that instead of perhaps changing to a smaller company where those risks exist. (Production manager)

Also the possibility for working in largely varying and interesting projects is recognised being contingent upon the company. A large company have the capacity to take on varying projects which is something production managers value.

There are all types of projects ranging from 40 million up to half a billion and you can be assigned many different projects. That is very good with Skanska. (Production manager).

The size of the company also provides the chance of working abroad and all over Sweden, which attracted many of the older production managers. “*Well, because they had projects all over Sweden. Or in those days, all over the world*” (Production manager). However, today it does not work in the same way it did a couple of years ago. Perhaps this is why this was something the older production managers mentioned and not the younger. Another reward associated to the size and structure of the company is the opportunity to work in different roles within the company.

Well, I first worked with housing, small house production. After that I worked in the office for ten to fifteen years, and then I was building both large and small housing in the city. (Production manager).

To try different roles is related to personal development, which is provided through working in different projects, having different responsibilities and through educational courses. Skanska also emphasise, in their value chain, that development of their managers leads to profitability, thus company values influence the provision of personal development and education.

Well, you get the education you feel like, almost. I find that being very good and it is often very good educations you get, or courses, call it whatever you want. You can do a lot within Skanska if you want. (Production manager)

In order to receive development and education you have to be interested, therefore personal values steer how much education you receive. However, just being interested is not enough, for some educations it is up to the manager to choose the candidates to develop. Similarly, promotion is also decided upon by the manager and his/hers assessment of the individual’s potential. Also, past performance is reviewed by the managers when evaluating possible candidates up for promotion. Consequently, the performance measurement systems also influence the choice.

Skanska uses three types of monetary reward systems directed to their production managers and the rewards stemming from these systems are cash and equity. The level of these rewards depends on different factors such as position and project performance. Receiving cash compensation is something managers expect from the company in return of their services. When discussing what production managers value in their employment relationship cash is perhaps not considered as most important, although it must not be forgotten. The two following statements recognise this. “*Well generally I have to say feedback, which is something that makes you feel pretty good. But you cannot exclude bonus and salary*” (Production manager).

There are always discussions about the salary and they say that salary is not the most important part. Our managers have taught us that. Sure it is not the most important part, but still you have to receive enough for sustentation. (Production manager).

All production managers do in general not feel they work better or different because of the bonus system. Some feel negative towards the bonus system both due to moral issues and due to design issues. At the same time, some value the extra money and one of the production managers clearly states he feels the salary would be too low if there was no bonus. Another production manager states that the bonus system does not influence the way work is performed. However he regards receiving a bonus as receiving feedback on work performance. *“It is confirmation that you are doing something good, similar to feedback.” (Production manager).* Moreover, interviewees note that the level of bonus is not based on individual performance as much as project performance and this might lead to discussions concerning fairness. Something also noted among higher managers.

Production manager: Over time it is fair. But since the economy governs the bonus system to a large extent, perhaps it is not fair from time to time.

Interviewer: How do you mean? Production manager: Well it depends on what price they have set on the job when they take it.

In the last statement the interviewee recognise the fact that the financial result of the project is to a large degree determined in the tender. This is something pointed out by many of the production managers. Other project parameters deciding the bonus level are also perceived by the production managers to be out of their direct control.

A design issue related to the bonus system is that all project management staff on the construction site is not included in the same system. By including project management staff in the same bonus system it would help them to prioritise the same things. *“I think that offering performance bonuses only to some persons is wrong, you still have to include everyone to deliver” (Production manager).* Additionally, higher managers point out difficulties in having different economic control measures for management and workers.

Table 5.5 Company features related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	Identified Systems and Incentives
Rewards tied to the Company	Job security, Interesting projects, Work abroad, Fixed pay, Variable pay, Shares, Working clothes, Development, Promotion, Education, Try different roles, Feedback, Recognition	<i>Large company, Company structure, Manager, Performance Review, Performance measurement system, Salary, Bonus system, Internal awards Benefits, Education Programs</i>

5.2.2.5 Rewards tied to Social Relationships

When it comes to reasons for staying at Skanska, relations to co-workers and a good working climate is mentioned by the majority of the production managers. Personal chemistry is recognised in the first statement below as being more important than competence.

... some have worked together and some you do not want to work as much with. It is personal chemistry as it is in general, it is not the trade competence, it is the personal chemistry. (Production manager).

As well as relations with colleagues and co-workers, interviewees recognise the relationship to the manager as being central for the working climate and for future opportunities.

You can have the best time in your workplace but if you do not get along with your manager, you will probably not be doing anything else than what you are doing right now for a long period. (Production manager).

It is the district and project manager that set the project management team and assigns the construction workers hence they greatly influence the working climate. Sub-contractors are also recognised by the production managers to shape the working environment and since they are procured centrally production managers cannot to a great extent influence the choice of sub-contractors. Social relationships may also determine which projects you are assigned.

Yes not just that, it could be that someone has worked for a client and has built a relationship and so on. They want him because they know they will get a good job. It can also be like that. And it is the same for us, if we are to choose between two firms. One of which is cheaper, but if you will get problems with them then you perhaps choose not to use them anyway, because you do not want to have all the troubles and quality problems. (Production manager).

Table 5.6 Social relationships related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	Identified Systems and Incentives
Rewards tied to Social Relationships	Great relations, Good working climate	<i>Managers, Social relationships</i>

5.2.2.6 Summary

The table below summarises the findings in this section. The table also visualises how receiving a specific reward is contingent on one or more reward systems or other organisational processes and incentives. The interrelations between identified rewards and underlying factors were identified by studying company work processes and the interviews. It is worth keeping in mind that- since the main data source in this case study is interviews some systems affecting the chance of receiving rewards might not have been brought up by the interviewees. The Table 5.7 nonetheless allows for several insights to be drawn.

What is interesting to see is that the perceived identified rewards are related to stem from five reward categories. The categorisation is based on how the interviewees

related the identified rewards to the job, the project environment, personal values, the company and social relationships. Most rewards are categorised under the reward category, rewards tied to the company and the most mentioned rewards were the bonus and the salary. As can be seen in the above sections and in table 5.7 the possibility of attaining one specific reward could be governed by one or more incentives or systems. The amount of bonus an individual receive is for instance dependent on performance measurement systems and his job description. In addition to the identified incentives and reward systems three complexity factors were identified to affect the possibility to attain some or all of the identified rewards. These are the external environment, age and the individuals own personal values and they will be discussed in the next chapter.

By looking at the summarised table below, the most frequent system or incentive affecting production manager rewards is identified to be the managers. This is explained by the manager's importance in assessing individual performance and potential in addition to his responsibility for assigning people to projects, and thereby affecting the working environment on the construction site. The importance of line managers in human resource management issues in project intense organisations is also noted by Bredin and Söderlund (2006). In Skanska, both the project- and district manager have a large impact upon the situation where the production managers reside. Even though, the district manager has the official personnel liability, project managers work closely with the district manager with for instance performance reviews and the setting of project teams. And as project managers stated in this study, one of their challenges is to keep everyone on the projects happy.

Table 5.7 Reward categories related to rewards and governing reward systems and incentives

Reward Category	Identified Rewards	Identified Systems and Incentives
Rewards tied to Job Position	Interesting and fun work tasks, Variation in tasks, Be in charge	Job description, Project plan
Rewards tied to Project Environment	Freedom, Meeting people, Possibility to affect work tasks, Reasonable workload, Variation of projects, Learn new things	Project based organisation, Managers, Project plan
Rewards tied to Personal Values	See results, Reach goals, Fulfil people's expectations, Increased responsibility, Get the project you want	Performance measurement systems, Project plan, Performance review, Managers, Job description, Social Relationships
Rewards tied to the Company	Job security, Interesting projects, Work abroad, Fixed pay, Variable pay, Shares, Working clothes,	Large company, Company structure, Managers, Performance review, Performance

	Development, Promotion, Education, Try different roles, Feedback, Recognition	measurement system, Salary system, Bonus system, Internal awards, Benefits, Education
Rewards tied to Social Relationships	Great relations, Good working climate	Managers, Social relationships

5.2.3 Project Work

This section describes how the project work within the organisation function, with the emphasis on what project and production managers prioritise and what the organisation expects from the project. In the interviews with the production managers, they all emphasized the importance of delivering positive financial results in their projects. *“You could come up with a lot of things, but in the end it is only money that matters” (Production manager)*. As the statement suggests, other factors are also important when delivering successful projects. However, factors such as having a satisfied customer, satisfied co-workers and a safe working environment, although measured by the organisation and mentioned by most production managers, were perceived less important than the project’s financial result. Also, most interviewees equalized their managers’ expectations with the expectations coming from the organisation. A common perception about what the organisation expected from the production managers, was that they should work according to the management system and values applied in the organisation. One production manager answered the following when asked about what he believes the organisation expects from him, *“Well, to follow their codes and get green numbers” (Production Manager)*.

Since green numbers are strongly related to delivering on time, all production managers agreed they focus on tasks which are crucial for the production of the project. However, perceptions of the most important tasks differ slightly between the interviewees. The most common tasks mentioned were to keep track of the time plan and drive the project forward by prioritising critical tasks related to production. *“If it is 20 workers on the site who gets stuck, then that affects much more than if I have to stay two extra hours” (Production manager)*. Similar to the prior quotation, Another production manager prioritises the tasks which have the largest impact for most people on the project.

The construction site consists of 120 workers needing a time plan, and then you focus on making the time plan. Whereas a financial forecast, it is one guy needing that forecast, I know it is very important for him. But I would probably do the time plan before the forecast. (Production manager).

The connection between making money and finishing projects is also realised, by both production- and project managers, and that is another reason for focusing on project work. As stated by one of the project managers.

If there is a lot to do, I choose to focus on project related work. The projects are after all most important since it is where we hopefully make our money. There are also a lot of internal routines and such needed to be done, however these have to be put aside. That is probably my prioritisation. (Project Manager)

As the quotation above suggests internal routines and directives are not as highly prioritised. Also the interviewed production managers seemed to share the same opinion. Even so, production managers realise the organisation expects them to introduce internal directives, coming from the top-management, into the projects. Here, some stated that additional directives do not cause much extra work. On the contrary, some see problems with the additional work caused by carrying out new directives. The majority of the interviewed production managers state they work harder to implement directives they are interested in and find helpful.

Is it, according to me, completely stupid. Then of course, you do not work as much with it. And if it is reasonable, then you work with it. It is always difficult in these large organisations, you must know that. I too understand that the CEO, he has construction, he has infrastructure, he has industrial operations, he has everything, this is such an area. And then one down here cannot do what he wants, but Skanska has been... formerly we did little as we wanted to, well we still do. (Production manager)

The former statement shows how the way work is performed differ among managers. Additional findings support this statement when production managers state that the way they work is contingent on who is project manager and the interests of the project manager. One of the production manager reflects upon how his project managers have differed in the way they perform their job.

Some might go out looking at the site and create their own opinion and others make their own time plans alongside, while others interrogate you daily. So it is very different. (Production manager)

He continues to reason around this and concludes that the project manager's background and personal interests are affecting how he approaches his tasks. Another finding revealing that project managers have different prioritisations is the fact that project goals are not always followed up. "Yes, I can be honest and say that some projects, it depends on who the manager is" (Production manager). However he points out that most of the time they are followed up.

An additional finding worth mentioning is related to responsibility. The interviews show there seems to be strong feelings of responsibility for the project among production managers. Some argue that this commitment for the project follow from the role. "If you are production manager then that automatically brings an increased interest." (Production manager). The commitment and responsibility production managers seem to feel for their projects is also symbolised due to the fact that two interviewees mention they visited their construction sites during their holiday, since problems had occurred. Both emphasised they did not need to do it at that time since it was not their responsibility. Having this extensive responsibility is also something they regard as being the toughest in their working situation.

6 Discussion

This chapter will discuss the findings. It starts, however, by discussing the concepts of rewards, reward systems and incentives. In this thesis, the term reward system is used to explain all, from the company, intended systems used by the organisation that offer a tangible reward. An incentive is in this study less formal compared to the reward system and do not explicitly offer a reward. Instead, an incentive is more broadly defined as suggested in the literature "...as an event or object external to the individual which can incite action" (Locke, 1968). Hence a plan or a strategy are defined as incentives in this study. Moreover, previous literature do not always distinct between a reward and an incentive, however relating to the literature review, here a reward is defined as something you get for past achievement. An incentive, on the other hand, is often described as a promise of a reward in some form. Hence the promise of a monetary bonus is an incentive, whereas the actual bonus is the reward. Thus the promise of a reward is an incentive to some. It is also worth reminding that different rewards and incentives influence people in different ways (Deci, Koestner and Ryan, 1999). Further, the findings of the study will be discussed in relation to the research objectives and the literature review.

6.1 Rewards, Reward Systems and Incentives in Skanska

As it is suggested in previous literature rewards, reward systems and organisational incentives could be used to influence individual behaviour. In the theoretical review and in the findings chapter, several incentives, rewards and reward systems were identified to somehow influence the behaviour of the production managers in Skanska. As the created reward category framework suggests there seems to exist both intended and unintended factors in the production manager's situation affecting the possible provision of the perceived production manager reward. This is in line with the total rewards concept which takes in consideration everything the employees' value in their working situation to be rewards (Kaplan, 2007). In this study the developed reward category framework takes the job position, the project environment, personal values, the company and social relationships in consideration when describing the rewards related to the production manager. It is argued that these five categories all are important for the production managers and should be considered when trying to induce actions upon the production managers or rewarding them.

Three complexity factors not defined in the reward category framework seems to be the external environment, age and personal values. These are not defined since all of them not easily can be related to affect the attainment of one or more rewards. Instead they increase the complexity even further. The external environment represents the overall business climate and other factors outside the reach of the organisation and the individuals. The overall business climate and the availability of projects do according to the interviewees affect the bonus system as well as the general working climate. Moreover, as reported by the production managers, the tender plays a vital part when it comes to the economic situation of the project. Some interviewees relate worsened economic climate to tighter profit margins and sometimes zero profit margin. Under these conditions, interviewees argue, it is difficult to achieve full bonus payout or to create a positive working climate. Hence not only financial rewards are negatively affected by a bad economic climate. Age also seem to affect the perception of the available rewards. Development and personal and professional growth appear, according to the interviews, to a greater extent be regarded as rewards by the younger production managers. The sample size in this study does not permit for such a

conclusion to be drawn. However previous studies point towards the effects of specific rewards to be correlated with age (Deci, Koestner and Ryan, 1999). Lastly, personal values for instance personal interests, experience and personal morale adds to the complexity. Furthermore, the different perceptions between individuals about what are rewarding or what you are influenced by is also included under personal values. Not surprisingly, performance measurements seem to be of differing relevance between individuals, according to the interview findings. This proves the obvious argument by Clark and Wilson (1961) that different incentives affect people in different ways, which also strengthen the argument that a total rewards perspective should be employed when developing organisational reward systems and strategies. Additional support for this can be derived from the fact that, production managers seem to be intrinsically rewarded and value qualities in their working situation stemming from the project environment and their work tasks.

By looking at the reward systems and incentives provided by Skanska, categorised under rewards tied to the company, and especially looking at what is rewarded there is a strong emphasis on the financial result of the project. Higher managers support this when stating “a good result is a condition to advance”, connecting promotion with good results. Hence delivering good results is needed to advance in the company. Additional support for this is provided by referring to the parameters measured in the compensation system and how compensation is paid out (O’Neil, 1995). Referring to the bonus system and studying what parameters that are measured in all managerial levels interviewed for this study. The common parameters being measured from regional level down to production manager level are different financial parameters together with one additional qualitative parameter. Further, the financial parameters are of greater weight than the other parameters in the bonus system. This also indicates the relative importance of financial results and gives the impression that other parameters are of less importance. Furthermore by offering performance based pay and internal awards, Skanska communicate the importance of delivering positive results and a competitive working environment.

In this study the manager was identified as important when it comes to distributing and affecting the potential attainment or the level of the identified rewards. This is consistent with Söderlund and Bredin (2006), who acknowledge the line managers central role in human resource management issues in project intense organisations. Also Cox, Brown and Reily (2010) argue for the importance of the line manager when it comes to distribute intrinsic rewards in project based organisations. In this study, the managers are responsible for assessing potential and performance which are the foundation for salary increases and promotions. Hence, the manager is also important when it comes to the provision of extrinsic rewards. Findings indicate that both objective measurements and subjective assessment are used when evaluating individual performance and potential. However, some production managers feel they are not objectively measured on their individual performance, since they cannot control everything they are measured on. This could indicate that the objective measurements do not provide accurate results for evaluating individual performance. As for the subjective assessment of production managers’ performance and potential, it could be hard for managers to evaluate performance when situated on different locations (Söderlund and Bredin, 2006). Considering previous research and findings from this study, having a good relationship with your manager may increase your chances of receiving both extrinsic and intrinsic rewards.

From the findings chapter several incentives and reward systems influencing production managers could be identified. Figure 6.1 below illustrates the incentives and reward systems this study identified to be related to production manager rewards. Moreover, the figure also illustrates the three complexity factors suggested to affect the attainment of rewards related to the production managers. In addition to these incentives and reward systems in the figure, additional incentives can be identified in the sections describing the case organisation and the project work. The manager's expectations seem to be an incentive for the production managers. What is interesting is how production managers seem to notice how the expectations among their managers differ depending on the background of their manager. Indicating the working context may shift between managers. From section 5.1 case organisation, Skanska's values, visions and strategies can be defined as incentives since they aim to create movement. Moreover, the business plans and the way Skanska is organised can be seen as incentives.

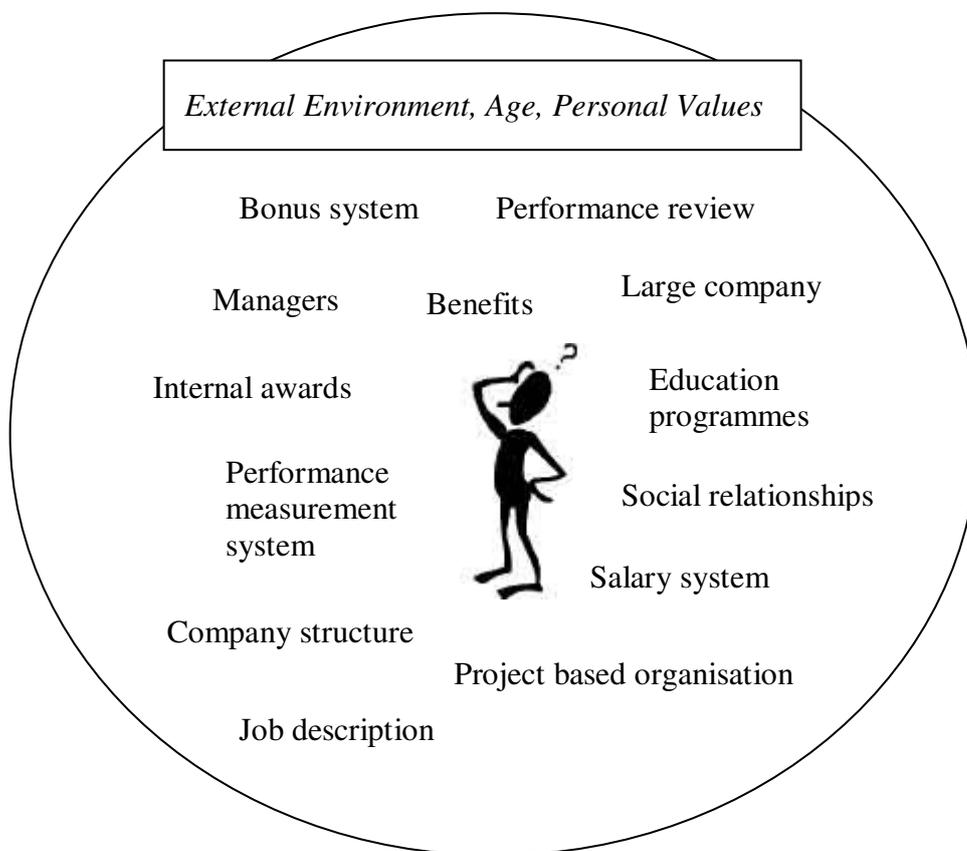


Figure 6.1 Reward systems and incentives related to production manager rewards

6.2 Production Manager Situation in Skanska

Obtaining and executing profitable construction projects are at the heart of the case district's, as well as the whole, Skanska Sweden's business idea. This is for instance evident in the business strategy, the bonus system, Skanska's value chain, where the ultimate goal is profitable projects, and also in the interviews, where all interviewees emphasised the importance of positive financial results of the projects. Although, other responsibilities, for instance, to introduce changes and new directives on the projects are also reported of, delivering profitable projects comes first. These are all

strong incentives which provide the production managers with a clear focus to deliver profitable projects. They do, however, have a complex role.

As responsible for the onsite production of the projects, the production managers are most certainly key players when it comes to the execution of the construction projects. Hence the organisation is indeed dependent on its production managers. This is in line with Dainty, Raiden and Neale's (2004) argument about construction project managers having a key role in contractor organisations. Key role or not, the projects are executed in teams and the interviewed production managers emphasise they cannot control or affect everything on the project. As seen in the literature review, production managers spend much time on the construction site running the daily operations, dealing with many uncertainties and questions from stakeholders involved in the project (Telem, Laufer and Shapira, 2006). However, having the role of site manager also grants them authority.

Being responsible for the onsite production and often the highest responsible manager situated on the construction site provide them with freedom to manage their site after their own head. This notion of dispersed working processes is a key characteristic of project based organisations (Hobday, 2000). However researchers claim that this decentralised authority may lead to governance problems (Lindkvist, 2004) and problems when implementing organisational wide changes and directives (Bresnen, Goussevskaia and Swan, 2005), as findings from this study indicates. As both production- and project managers state they work more with some initiatives coming from the organisation than others. One project manager explicitly stated project managers to be the filter between the organisation and to some extent choose what directives to implement on the projects.

Interestingly, all production managers included in this study focus on delivering good projects over long-term goals of the organisation, although production managers according to their role description also are responsible for pursuing business development on the projects. This is in line with previous research findings regarding project based organisations and how such organisations tend to prioritise project goals over broader business goals (Bredin, 2008). Here, production managers prioritise issues related to the production and the progress of the project over organisational directives or internal routines. However, this is not surprising since they have strong incentives from the organisation to deliver profitable projects. Additionally, some production managers stated it is hard to grasp long-term organisational goals, while project goals are easier to interpret and understand. This might also be a reason for why they prioritise their work tasks the way they do. Also, the added work load in a sometimes already stressful situation was given as reason for not always working with new directives. Furthermore, personal experience and interest played a vital part in which directives and changes that were implemented. Bresnen, Goussevskaia and Swan (2005) reported similar results in a previous study investigating the implementation of a new management tool in a project based organisation. This indicates how individual interest controls much within such organisations.

6.3 Rewards, Reward Systems and Incentives in Project Based Organisations.

As the previous section discusses, findings from this study indicate that problems related to project based organisations identified in previous research are inherent in the case district. How could the rewards, reward systems and organisational incentives

identified in this study explain this notion? A previous study in Skanska conducted on two middle managerial levels found that lower managers prioritise operational performance criteria over strategic criteria (Samuelsson, Ekendahl and Ekevärn, 2006). The reason for this, the researchers argue, is the lack of incentives for lower managers to pursue strategic objectives. Hence they suggest a common problem in project based organisations to be solved by offering an incentive or reward to the managers.

However as this study suggest, rewards can stem from the project environment itself. By providing another reward or incentive in some form to pursue a long-term or a strategic objective, which might involve introducing new working processes and thus changing the current work context (Kerr, 1995). By using the notion that the behaviour of individuals can be controlled by the provision of rewards, findings in this study suggest the production managers' rewards for not introducing certain internal directives are greater than the rewards of introducing them. Similarly, a study conducted on resistance of organisational change within the defence industry found that change outcomes were perceived threatening intrinsic rewards provided in the current state (Oreg, 2006). Most rewards identified in this study related to the project environment and the production managers' position are intrinsic rewards. Thus the fear of losing the intrinsic rewards may result in reluctance to introduce other organisational directives which possibly would harm the current state for the production manager. This is one possible explanation to why it is difficult to introduce organisational wide changes in project based organisations.

In this case however, the focus on delivering financially profitable projects is probably the main reason for production managers seem to solely prioritise work which takes the project forward. The focus on the projects is visible in the business idea of Skanska that identifies the projects to be the core of their business where the value is created. In the five qualitative goals, Skanska recognises zero loss-making projects to be one of them. This goal clearly emphasises the importance to deliver profitable projects. Also the interviewees realise the importance of the projects. All production managers perceive their nearest managers expect them to deliver profitable projects in the first place. Everything else comes second. This is further seen in the bonus system where financial parameters are emphasised. Hence the strong focus and many incentives from the company on delivering the projects, explain why project objectives are prioritised higher than broader business objectives in project based organisations.

7 Conclusions

The conclusions summarise the study's main findings and link them to the aim and objectives of the study. Furthermore, limitations of the study and recommendations for studies for further research are presented.

The first objective in this study was to (i) identify construction site manager rewards and relate them to reward systems and organisational incentives influencing construction site managers. This objective was achieved by identifying production manager rewards in semi-structured interviews. Rewards were related to reward systems and incentives influencing the possible attainment or provision of the identified reward by studying company processes and through the interviews. Rewards are suggested to stem from, the job position, the project environment, personal values, the company and social relationships. Moreover, managers are identified as the most influential factor to affect the level and awarding of the identified rewards.

The second objective, (ii) describe the situation for the construction site managers on the projects and within the organisation, was partially achieved through the literature review and partially through the interviews. This study revealed that problems related to project based organisations to some extent are inherent in the case district. Findings indicate dispersed working processes between production managers. Further, the interests and experience of production managers influence how they manage their construction site. Moreover the findings illustrate how the organisation provides strong incentives for production managers to delivering profitable projects.

The last objective of this study was to (iii) analyse and discuss the identified rewards, reward systems and organisational incentives in relation to problems identified within project based organisations. This objective was achieved through analysing the findings and relating them to theories in project based organisations. The notion that project goals are prioritised in project based organisations is explained by Skanska's strong focus on projects both in their business idea and in the bonus system. The fear of losing the intrinsic rewards provided through the working context result in reluctance to introduce other organisational directives which possibly would harm the current state for the production manager.

7.1 Practical Implications

One of the more important findings in this study revealed how working in a project environment as a production manager can be rewarding in itself. A free, interesting and varying work as described by the interviewed production managers is thus rewarding and pleasing in itself. This is governed by the influence by the central line. Thus by introducing common work practices, or by increasing the monitoring and control on the projects, the intrinsically rewards such as freedom and autonomy provided in the current state should be affected.

7.2 Limitations

There are some limitations to this study which needs to be addressed. When critically evaluating the findings of this study it is important to remember that the main data source is semi-structured interviews with the production managers, which makes these findings describe their perception of reality. Furthermore, the use of semi-structured interviews provides no comparison between the interviews. Instead, all interviews were combined in order to describe the situation of the production managers. Hence

the findings do not symbolise a shared perception of all interviewed production managers but a combined description of all the production managers' perception of their situation.

The findings from this study do not reveal to what extent or in what way a specific reward, incentive or reward system affects the individual production manager. The findings do, however, provide a description over the identified rewards, incentives and reward systems influencing, or designed, to influence at least one of the interviewed production managers in their current situation. This makes the findings specific to the current case and with another sample or in another case and a more comprehensive study the end result might not have been the same. However within this current case with this sample the result is valid. Many interesting findings to base further research on were revealed in this study.

7.3 Further Research

First, the proposed production manager reward framework developed should be tested and validated using a larger sample. Also a ranking of the identified rewards could be of interest in order to find out which rewards production managers regard as most influential upon their behaviour.

The manager was found as being central in the provision of the identified rewards hence a recommendation is to develop and further grow their competencies. In line with this, a study investigating how different management styles affect the provision of rewards in project based organisations is suggested.

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