

Cross-cultural determinants of employee motivation system effectiveness

[Business](#), [Employee](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Problem Statement](#) \n \t
2. [Research Objectives](#) \n \t
3. [Research Questions](#) \n \t
4. [Literature Review](#) \n \t
5. [Methodology](#) \n \t
6. [References](#) \n

\n[/toc]\n \n

Abstract

As the world is becoming an integrated global market place, it has become crucial to recognize the cross-cultural variances and correspondence that influence the success of internationally recognized brands where studying and understanding of both the market as well as the employees present in host countries are fundamental to establish successful managerial judgment. Hence, decision makers of internationally recognized brands must acquire a thorough perspective of the significancecultural differences hold. This paper is concerned with how a successful and dominant organization such as Starbucks, which is present in multiple countries, can effectively manage its group of employees and retainmotivationamong its workers. The research will take into consideration various theories that help explain the concept of employee motivation and how managers can implement such practices to effectively manage their work force, keeping in mind at the same time the

unique values and features of the different cultures the organization is operating in.

Introduction

The study of cross-cultural management emphasizes on the conduct of individuals from diverse cultures performing alongside each other in an organization. The focus of cross-cultural management elaborates on conventional organizational functions such as leadership, decision making, group dynamics, and lastly employee motivation (Adler, 2002).

The company at research in this study, Starbucks, is a vast and well constructed multi-national, which serves in 43 countries. It has to keep in mind various cross-cultural determinant while bringing in its motivational schemes. This paper talks about all possible strategies in relation to motivational theories, chiefly the Hofstede theory.

Starbucks has served as a milestone in the coffee industry and is a massive organization in terms of people employed and stores owned. Presently, it has revenue of \$10.7 billion and owns 16,850 shops in 43 countries (Company Fact Sheet, 2008). Starbucks is clearly the world's top coffee retailer, and has employs 137,000 employees. Due to its staggering workforce and importance of quality service alongside its quality product, employee retention and motivation is of vital significance. Howard Schultz, the CEO of Starbucks, considers that the tip of success in Starbucks is not coffee but employees. Schultz firmly believes that the spirit of Starbucks is its employees and feels honored about the value of Starbucks employees. Many theorists believe that " it is necessary to have a perfect education and training

policy for better performance in a company” (Adler, 2006). One of the most proficient theories, the Hofstede model states that the motivational factors of every country are different and thus must be looked into before a company, such as Starbucks sets its motivational methods. This research paper looks at these theories in reference to Starbucks, and its motivational methods across different nations. It looks at a comparison between the way Starbucks company treats or must treat its employees across UK, Poland and Germany.

Problem Statement

The rise in Globalization had led many organizations to emerge into new markets, developing international approaches to adapt to the different work environment. As organizations penetrate international markets, they tailor their organizational strategies according to the host country, in order to avoid difficulties and risks associated to failure from the new environment. Therefore, the study of employee motivation and how it directly influences the organizations goals and performance is of essential importance. Not only does it allow managers to retain the attention of their workforce, it also aids them to train their employees to become more productive, therefore enhancing the overall efficiency of the organization and helping it achieve its goals.

Research Objectives

The main objective of this research is to explore how Starbucks maintains an effective employee motivational system by keeping in mind the cross-cultural determinants varying in each country it has operations in. The

research will take into consideration the operations of Starbucks in the countries of UK, Poland, and Germany.

Research Questions

Following are the questions that will be attempted in the research:

- What are the cross-cultural determinants that influence the employee motivational system of Starbucks across the UK, Poland, and Germany?
- How different are the employee motivation strategies of Starbucks in the UK, Poland, and Germany?
- Is there a relatively higher or lower productivity among stores in the UK, Poland, or Germany while considering the employee motivational systems among Starbucks?

Literature Review

Hostede Model and Employee Motivation

The factors of the Hostede model are highly relevant and can be implemented in various ways to improve performance.

The first factor, Power distance can be defined as “ the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Boyer, 2009). UK and Germany, are ranked as a low power distance society, where the relationship between bosses and subordinated is of interdependence, treating each worker equally and calling them ‘ partners’. There, the managers of Starbucks are likely to place a greater importance on labors’ rights as compared to managers in Poland, which ranks as a high power

distance country. However, in Poland there is a hierarchical social system, thus, it is said that their ' ideal boss is a benevolent autocrat'.

Another factor of the Hofstede theory is Masculinity, the dominant values in society being material success versus femininity, caring for others and the quality of life. UK, Poland and Germany, are Masculine societies, driven by competition, achievement and financial success. In these countries, people's performance is highly valued and people ' live in order to work'. Starbucks too, beliefs in monetary based appraisals, it spends \$300 million, on their employees' welfare, much more than ' they do on coffee beans'. Starbucks even gave its UK staff shares worth around ? 4 million in their employee share scheme ' Bean Stock', followed by a Christmas cash bonus to staff worth ? 1. 5 million. (Company Factsheet, 2008)

Secondly, Uncertainty Avoidance is another factor that classifies countries into being either high or low in it. Some countries such as Germany and Poland are sought to have strict rules and resistance to changes are considered low in Uncertainty Avoidance. Others such as the UK have fewer rules and being welcome to changes. This is an important factor to look into a country when bringing in new innovations, and the planning of how the change has to be implemented. Managers of UK can bring in new ideas easily and with more enthusiasm while managers in Germany and Poland have to bring in changes subtly because people resist from breaking orthodox norms uneasy. Starbucks went through many changes when it merged with Giornale, it was welcoming to his employees' involvement and included them in every change, by 1987, and employees at Starbucks had begun buying into the changes.

The theory includes a comparison between countries which have more, individualism everyone is expected to look after themselves and their immediate family against collectivism, and cultures in which people are bound into strong and cohesive groups. UK, Germany and Poland, are individualistic societies, where the route to happiness is through individual accomplishment. Here the company, in order to motivate its employees has to come up with schemes to provide them and their families' advantages. The culture in Starbucks is of mutual advantage, thus workers usually do a fruitful job but all these factors must be kept in mind. Understanding all the cross-cultural determinants including these is crucial for a company which serves such a wide range of cultures; their observational along with development on these lines, must all be looked into, in order to bring out the best results. (Early and Erez, 1997)

Methodology

This study would employ a deductive approach, and positivist epistemology, in order to conduct a quantitative survey of Starbucks employees.

The prime methodology used will be questionnaires that will be filled out by Starbucks employees across these countries. The questionnaire will be based on the twelve questions from the Organizational Energy Questionnaire (OEQ 12), by Heike Bruch (2011), which is an instrument to measure a company's energy state. The questions will touch upon the following set of characteristics:

If the employee:

- like what they do,

- do not have much drive feel relaxed in their job,
- feel angry in their job,
- feel enthusiastic in their jobs,
- have no desire to make something happen,
- speculate about the real intentions of management,
- have real care about company's fate, are efficient in conducting work,
- behave in destructive manner,
- go out of their way to make company succeed
- feel discouraged in their jobs (see appendix, Table A-1).

These questions will about the general state of employees, whilst additional Likert scale questions would help observe the importance of cross-cultural factors on employee performance and motivation. The questionnaires would be analyzed using Microsoft Excel and SPSS, and the results would be displayed in the form of charts and tables.

Appendix 1

References

- Adler, N. J. (2002) International Dimensions of Organizational Behavior. 4th edition. Cincinnati: Southwestern.
- Audia, P. G. and Tams, S. (2002) Goal setting, performance appraisal and feedback across cultures. In Gannon, M. J., & Newman, K. L. (Eds.) Handbook of Cross-Cultural Management: 143-154. Oxford: Blackwell.
- Boyer, J. (2009) Understanding Hofstede's Theory to Motivate Cross Cultural Employees.

Bruch, H. and Vogel, B. (2011) Fully Charged. United States of America: Harvard Business School Publishing.

Business Insider [online]. (2011) [Accessed 6 May 2012]. Available from: <http://www.businessinsider.com/15-facts-about-starbucks-that-will-blow-your-mind-2011-3#at-300-million-starbucks-spends-more-on-healthcare-insurance-for-its-employees-than-on-coffee-beans-12>>

C. F. Fey. (2005) Opening the black box of motivation: A cross-cultural comparison of Sweden and Russia. *International Business Review*, 14(3): 345-367.

Company Factsheet. (2008, February). Retrieved November 23, 2009, from http://www.starbucks.com/aboutus/Company_Factsheet.pdf

Cultural Dimensions Theory [online]. (2010) [Accessed 2012]. Available from:

.

Earley, P. C. and Erez D. (1997) Culture Based Approach to Work Motivation, *New Perspectives on International Industrial/Organizational Psychology* (pp. 192-242). A Volume in the series: *Frontiers of Industrial & Organizational Psychology* (Series Editor, Sheldon Zedeck), Jossey-Bass Publishers.

Employee Benefits [online]. (2011) [Accessed 2012]. Available from: .

HOFSTEDE THEORY- Poland, (2011) [online]. [Accessed 2012]. Available from: .

Hoovers [online]. [Accessed 2012]. Available from: http://www.hoovers.com/company/Starbucks_Corporation/rhkchi-1.html>.

Nicholson, N (1998) *Encyclopedic Dictionary of Organizational Behavior* Blackwell, pp 215

Rama Rao, V. S (2009) *The Hofstede Studies* [online]. [Accessed 2012].

<https://assignbuster.com/cross-cultural-determinants-of-employee-motivation-system-effectiveness/>

Available from: .

Starbucks [online]. [Accessed 2012]. Available from: .

Starbucks Coffee [online]. [Accessed 2012]. Available from: .

Thompson, A. A., Strickland, A. J., & Gamble, J. (2007) *Crafting and Executing Strategy: Text and Readings*. Boston, MA: McGraw-Hill/Irwin.

Wood, Z. (2010) Starbucks' staff set to get free shares in incentive scheme. 19 December 2010.