

## A Socially Intelligent Approach to Global Remuneration

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*Social intelligence according to the original definition of Edward Thorndike (1920) is "the ability to understand and manage men and women, boys and girls, to act wisely in human relations". Specifically in the workplace, to better understand and manage men and women effectively requires an understanding of employee motivations and value systems. One of the strongest sources of values originates from national culture. This paper quantitatively demonstrates that employee preferences in pay and benefits are influenced by their national culture values. A socially intelligent manager can use his/her knowledge of cultural values to more strategically design global remuneration programs that motivate employees. In other words remuneration can be a culturally aligned motivation tool in the hands of socially intelligent managers. This paper establishes significant relationships between national culture and employee remuneration preferences.*

### 1. Introduction

Management often thinks of remuneration as a liability that needs to be minimized. However within a social context, remuneration may be considered as a powerful motivation tool that should be managed as an asset. This study demonstrates that national culture plays an important role in transforming remuneration from a liability to an asset. Often MNCs are intent on transferring rigid Western pay practices to their local overseas offices (Barley & Kunda, 1992). But research clearly demonstrates that the national culture of the local office can prevent acceptance of a "foreign" practice (Lunnen et al, 2005). Social awareness of cultural values and beliefs allows remuneration to be fine-tuned to better fit with what motivates local nationals. Being intelligent about the market based aspect of pay and benefits is not enough, understanding the human cultural side of remuneration is also important. Current literature suggests that management practices that reinforce national culture are also more likely to yield predictable behavior (Mischel & Wright, 1987), self efficacy (Earley, 1994) and high performance (Earley, 1994). Socially intelligent managers take into account the social values and preferences of employees (Kohberg, 1982, p. 101). Being intelligent about social norms allows remuneration elements to be designed in a manner congruent with those norms.

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The idea that leaders need social awareness is not new. As Goleman and Boyatzis (2008, p. 77) suggest, socially intelligent leadership needs to “appreciate the culture and values of the group or organization”.

Furthermore if we believe that socially intelligent leadership requires empathy, then perhaps what we are really requiring is a deep understanding of the existence and importance of cultural differences (Goleman, 1998). Goleman suggests that valuing only what works for one person at the expense of others should not be seen as socially intelligent (2000, p. 11). Perhaps we should follow Malcolm Gladwell’s suggestion to “look beyond the individual and understand the culture he or she is part of” (2008, p. 10). International pay and benefits (remuneration) research has been the focus of limited attention in the literature (Berrone & Gomez-Mejia, 2009; Harris & Park, 2008, p. 145). US-based management continues to assume intellectual privilege through hegemonic remuneration structures (Jack et al, 2008). This paper provides both a theoretical perspective as well as quantitative analysis in the area of internationally-tuned remuneration. This research effort is cast in a nomological network that makes explicit use of Hofstede’s cultural framework (VSM94) to measure national culture. Hofstede’s impressive database and subsequent detailed quantitative analysis of the data allows him to postulate that national cultural norms are important factors in the workplace. Hofstede’s definition of these norms leads to three general assumptions which are important to this paper: 1) that national cultural differences do exist, 2) that these are associated with a certain number of shared values, and 3) that shared value systems influence people’s attitudes and behavior in their adult working lives. Hofstede’s (1993) management implication that “Activities like managing and organizing are culturally dependent because managing and organizing do not consist of making or moving tangible objects but rather of manipulating symbols which have meaning to the people who are managed or organized”, suggests that social intelligence is a key requirement in managing a global workforce (Triandis, 1994).

Although the Hofstede/Bond dimensions (Bond, 1988; Hofstede 1980) continue to be used in current literature (Ailon, 2008; Gladwell, 2008 p.203; Helmreich & Merritt, 2000; Jack et al, 2008; Van der Vegt, Van de Vliert & Huang, 2005) they require testing to ensure that they are still valid and reliable in the current workplace. The replication of national culture index results for matched countries between this study and Hofstede’s sample, validate the continued usefulness of his Value Survey Module 94 (VSM94) instrument. In addition the test/retest results on the VSM94 expand the theory base by analytically substantiating the temporal stability of national culture. Employee remuneration was measured using the RM98 module (Herkenhoff, 2000). This instrument was analyzed using a similar test/retest approach to ensure its ongoing reliability and temporal stability. The key epistemological factor was a focused matching of the respondents within the given sample at the industry, corporate and job family levels. Employees within the same job family, within the same company, and at

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the same organizational level isolate the influence of national culture and individual characteristics on employee remuneration preferences. The study treats remuneration as a closed system; the model does not consider simply increasing pay or benefits but rather explores how existing pay and benefits can be better aligned with the national culture at the operational sites of the firm.

The VSM94 results were compared with the RM98 results on a country-by-country basis to further test the hypothesized relationships established in 2000 (Herkenhoff) between employee remuneration preferences and the national culture indices. The hypotheses are as follow:

H<sub>1</sub>: As the LTO increases, employees show greater preference for pension benefits than for base pay increases.

H<sub>2</sub>: As the UAI increases, employees show greater preference for job security than for annual adjustments in base pay.

H<sub>3</sub>: As the MAS decreases, employees show greater preference for shorter working hours than for more pay.

H<sub>4</sub>: As the MAS decreases, employees show greater preference for obtaining family welfare benefits than for a higher base pay.

H<sub>5</sub>: As the IDV decreases, employees show greater preference for team performance-based pay than for individual performance-based pay.

H<sub>6</sub>: As the IDV decreases, employees show greater preference for all team members to receive equal pay than for team members to receive varying amounts.

H<sub>7</sub>: As the PDI increases, employees show greater preference for hierarchical-based remuneration than for non-hierarchical-based remuneration. The results of this research may assist managers of multinational organizations in designing remuneration packages that motivate employees, while achieving competitive advantage.

## **2. Methods**

### **• Sample and Data Collection**

The first sample includes 553 respondents and the second sample includes 268 respondents, across 16 countries, each country registering the required minimum of 20 respondents (Hofstede, 1980). The two samples were collected 6 months apart due to a request by the sponsoring company. The weighted average response rate for both samples was 90.3%, based on the individual average response rates of 92.6% and 85.8% respectively (Table 1).

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**Table**

**1**

Sample I			Sample II		
	Responses	Response Rate %	Country	Responses	Response Rate %
Australia	31	100	Nigeria	20	81
Brazil	69	95	Australia	31	100
Austria	39	100	Greece	40	69
Scotland	36	71	Spain	27	100
India	71	95	Indonesia	20	81
Japan	78	100	Papua New Guinea	20	75
Spain	46	80	Saudi Arabia	25	96
Singapore	90	91	Singapore	22	73
Thailand	51	100	USA	39	100
USA	42	94	S. Africa	24	83
<b>ALL</b>	<b>553</b>	<b>92.6%</b>	<b>ALL</b>	<b>268</b>	<b>85.8%</b>

### **Survey Distribution and Response Rates**

Countries were parsimoniously chosen to include low, medium and high scores for each of the national cultural indices. The respondents were non-management, non-union, local nationals, in full-time employment, in technical functions, within the same multinational corporation. The local HR management randomly distributed surveys to employees meeting the sample characteristic requirements. Participation by the target sample was voluntary and anonymity was provided. The technical job family was chosen due to its ubiquity within the corporation from both geographic and gender perspectives. Non-union employees were selected to avoid any union constraints on remuneration elements. The selection of local nationals was fundamental to meaningful analysis within the Hofstede model. Only local nationals were included as representative of the national culture of the country in which they work, as

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opposed to expatriates and third country nationals who import their own national culture values.

- **Measures**

Independent complex variables such as national culture, organizational culture, professional culture and individual characteristics may influence the dependent measure of employee remuneration preferences (Herkenhoff, 2000). To further test this construct, both professional and corporate cultures are held constant in this study; only technical employees within one corporation are included. Individual characteristics are also reviewed for potential country anomalies at the ecological level. National culture was measured using the Hofstede/ Bond national culture indices as defined in Table 2.

<b>Table</b>	<b>2</b>
<b>Hofstede National Culture Dimensions</b>	
<b>PDI — Power Distance Index</b>	
PDI refers to the degree to which power differences are accepted and sanctioned by society. A high PDI describes a society that believes there should be a well-defined order in which everyone has a rightful place. This reflects how societies deal with the fact that people are unequal. All societies are unequal but some are more unequal than others.	
<b>LTO — Long-Term Orientation</b>	
LTO stands for a society fostering virtues oriented towards future rewards, in particular perseverance and thrift. Long-term orientation pertains to the past and present, in particular respect for tradition, 'preservation of face' and fulfilling social obligations.	
<b>UAI — Uncertainty Avoidance Index</b>	
UAI refers to the degree to which society is willing to accept and deal with uncertainty. A high UAI score suggests a culture that seeks certainty and security and wishes to avoid uncertainty. Cultures with a high UAI are active, aggressive, emotional and show a low tolerance for behavior and viewpoints different from their own. High UAI countries show a need for comprehensive rules and regulations, a belief in the power of experts and a search for absolute truths and values.	

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### **MAS — Masculinity**

MAS refers to the degree to which traditional male values are important to society. For example, male values would include assertiveness, performance, ambition, achievement and material possessions. The female values would include quality of life, environment, nurturing, and concern for the less fortunate countries. A high MAS would have clearly differentiated gender roles with men being dominant.

### **IDV — Individualism**

IDV refers to the degree to which individual decision-making and action are accepted and encouraged by society. It describes the relationship between individuals and groups and the extent to which the individual is integrated into the group. A high IDV score depicts a society that emphasises the role of the individual.

Remuneration preferences, as measured using the RM98 instrument, are summarized in Appendix I. The remuneration preference questions are based on the main areas of remuneration as defined by the American Compensation Association (2008) which include: pension, welfare benefits, job security, working hours, perquisites, individual pay vs. teampay and bonus. Non-normality was identified at both the construct and at item levels for both surveys. At the ecological level the Spearman Rank Order Correlation (SPRC) statistic was selected as a non-parametric analysis technique for handling the non-normality of the data. In this study the SPRC statistic was used to determine whether the associations between rankings on the variables of the VSM94 survey results and the Hofstede's published results were statistically significant at the ecological level and whether the RM98 survey results were in support of the published results (Coakes, 1997; Cramer, 1998; Herkenhoff, 2000). The SPRC was also used to measure associations between the VSM94 results and the RM98 results. Statistical justifications were used to review individual characteristics (IC) for potentially anomalous influence at the ecological level. Analysis of variance was used to identify any ICs which were significant.

### **Analysis and Results**

The mean values for the individual characteristics were calculated on a country by country basis. For purposes of this study the IC values were not included in modeling due to limited variance and insignificant correlations with the dependent variable (Appendix II).

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- **VSM94**

The rank ordering of countries was determined for each cultural index. The rankings based on Sample I data are summarized in Table 3.

**Table**  
**VSM94 Country Rankings Sample I**

**3**

<b>Values</b>	<b>PDI</b>	<b>LTO</b>	<b>UAI</b>	<b>MAS</b>	<b>IDV</b>
<i>Highest</i>	IND	JPN	SPA	JPN	USA
	SIN	SCT	BRA	USA	AUL
	BRA	BRA	THA	AUL	SCT
	AUS	IND	SIN	IND	SPA
	THA	THA	AUS	SCT	AUS
	JPN	AUL	AUL	BRA	THA
	SPA	AUS	JPN	SIN	BRA
	AUL	SPA	USA	SPA	JAP
	SCT	USA	IND	AUS	SIN
<i>Lowest</i>	USA	SIN	SCT	THA	IND

In Table 3 the following acronyms denote the particular countries: **AUL** (Australia), **AUS** (Austria), **BRA** (Brazil), **IND** (India), **JPN** (Japan), **SCT** (Scotland), **SIN** (Singapore), **SPA** (Spain), **THA** (Thailand), **USA** (United States).

The SPRC measure of association was then calculated between Hofstede's published VSM94 results and the country rankings established using the data from Sample I of this study. All indices indicated a significant association and all subscales achieved acceptable levels of reliability (Table 4).

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**Table 4**  
**Spearman Association for VSM94: Hofstede Values × Sample I Values**

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Index	Spearman	Approximate Significance	Reliability $\alpha$
PDI	0.927	0.000	.83
LTO	0.833	0.005	.77
UAI	0.727	0.009	.80
MAS	0.927	0.000	.68
IDV	0.879	0.001	.95

Following the same analysis, the measures of association between Hofstede's VSM94 country rankings and the country rankings established using the data from Sample II, were calculated. These rankings are presented in Table 5.

**Table 5**  
**VSM94 Country Rankings Sample II**

5

Values	PDI	LTO	UAI	MAS	IDV
<i>Highest</i>	SAF	SPA	SPA	GRE	USA
	ARA	SAF	WAF	VEN	AUL
	PNG	SIN	SAF	USA	SPA
	WAF	IDO	ARA	AUL	IDO
	IDO	PNG	AUL	SIN	GRE
	SIN	AUL	PNG	PNG	SIN
	SPA	USA	CAN	IDO	WAF
	GRE	ARA	IDO	ARA	ARA
	USA	GRE	USA	WAF	PNG
<i>Lowest</i>	AUL	WAF	SIN	SPA	SAF

In Table 5 the following acronyms represent the following countries: **ARA** (Arabic speaking countries), **AUL** (Australia), **GRE** (Greece), **IDO** (Indonesia), **PNG** (Papua New Guinea), **SAF** (South Africa), **SIN** (Singapore), **SPA** (Spain), **USA**



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(United States of America), **WAF** (West Africa). Saudi Arabia is designated ARA and Nigeria is designated as WAF for comparison purposes with Hofstede's published index values.

The rankings were then compared with the Hofstede rankings for each of the five indices using Sample II data. All indices indicated a significant association and achieved acceptable levels of reliability (Table 6).

**Table 6**  
**Spearman Association for VSM94 Hofstede Values × Sample II Values**

Index	Spearman	Approximate Significance	Reliability $\alpha$
PDI	0.964	0.000	.91
LTO	1.000	0.000	.84
UAI	0.964	0.000	.76
MAS	0.750	0.020	.69
IDV	0.750	0.020	.97

Using the results from the two VSM94 data sets, a test-retest reliability measure was established for the VSM94 scale. Because the VSM94 is a test designed to compare mean scores of matched samples of respondents across two or more countries, rather than individuals within countries, reliability can only be tested across countries. Only four countries participated in both surveys in this research. However, as a cursory check on the reliability of the indices, reliability was checked using the countries common to both Sample I and Sample II. These countries were Spain, Singapore, Australia and the United States.

The SPRC statistic was determined for each of the VSM94 subscales and used as an estimate of reliability. The assumption underlying this approach is that the correlation between the two sets of data, Sample I and Sample II, is due to underlying unobservable true scores that are constant, and that the correlation will be less than perfect to the extent that random errors of measurement have occurred (Pedhazur & Schmelkin, 1991). The Spearman correlations are listed in Table 7.

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**Table 7**  
**Spearman Rank Order Correlation VSM94 Sample I × Sample II**

<b>Subscale</b>	<b>Spearman</b>	<b>Approximate Significance</b>
PDI	0.800	0.008
LTO	0.700	0.006
UAI	0.700	0.009
MAS	0.960	0.000
IDV	0.880	0.020

Table 7 indicates that all five subscales achieved significance in this correlation analysis. Although the test-retest results were substantially limited by the small sample size of matched countries within both surveys, these results support the robustness of VSM94.

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- **RM98**

The resulting rank ordering of countries was determined for each index using data from Sample I (Table 8) and from Sample II (Table 9).

**Table:8: RM98 Rankings at Country Level Sample I**

<b>Value s</b>	<b>HIER AR</b>	<b>PENSI ON</b>	<b>SECU RITY</b>	<b>WORK HR</b>	<b>WELFA RE</b>	<b>TEAMP AY</b>	<b>TEAM ALL</b>
<i>Highe st</i>	IND	SCT	AUS	THA	JPN	USA	USA
	SIN	JPN	BRA	SIN	USA	AUL	AUL
	BRA	BRA	SPA	BRA	AUL	SCT	SCT
	SPA	IND	USA	JPN	IND	AUS	AUS
	THA	THA	SIN	IND	BRA	SPA	SPA
	JPN	AUL	JPN	SCT	SIN	BRA	THA
	AUS	AUS	THA	SPA	SPA	THA	BRA
	AUL	SPA	SCT	USA	THA	SIN	JAP
	SCT	USA	IND	AUS	AUS	JPN	SIN
<i>Low st</i>	USA	SIN	AUL	AUL	SCT	IND	IND

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**Table  
RM98 Rankings at Country Level Sample II**

9

Values	HIERAR	PENSION	SECURITY	WORKHR	WELFARE	TEAMPAY	TEAMALL
<i>Highest</i>	SAF	SAF	SPA	GRE	GRE	USA	USA
	ARA	SPA	SAF	SAF	SAF	AUL	AUL
	PNG	SIN	ARA	USA	USA	SPA	SPA
	IDO	IDO	WAF	AUL	AUL	GRE	GRE
	WAF	PNG	AUL	ARA	SIN	SIN	SIN
	SIN	AUL	PNG	PNG	PNG	ARA	IDO
	SPA	USA	GRE	SIN	ARA	IDO	WAF
	GRE	ARA	IDO	WAF	WAF	WAF	ARA
	USA	GRE	USA	IDO	IDO	PNG	PNG
<i>Lowest</i>	AUL	WAF	SIN	SPA	SPA	SAF	SAF

The rankings in Tables 8 and 9 were then compared with the published rankings (Herkenhoff 2000) for each of the seven remuneration indices. All indices indicated a significant association between the published results and sample data from this study. The levels of approximate significance, SPRC statistics and subscale reliabilities are presented in Table 10 and Table 11.

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**Table**  
**Spearman Association for RM98 Published Values × Sample I Values**

10

Index	Spearman	Approximate Significance	Reliability $\alpha$
HIERAR	0.960	0.000	.88
PENSION	0.660	0.000	.74
SECURITY	0.800	0.000	.69
WORKHR	0.525	0.005	.49
WELFARE	0.750	0.004	.57
TEAMPAY	0.960	0.001	.96
TEAMALL	1.000	0.001	.91

**Table**  
**Spearman Association for RM98 Published Values × Sample II Values**

11

Index	Spearman	Approximate Significance	Reliability $\alpha$
HIERAR	1.000	0.003	.76
PENSION	0.895	0.001	.67
SECURITY	0.886	0.004	.78
WORKHR	0.635	0.005	.55
WELFARE	0.700	0.004	.57
TEAMPAY	0.970	0.000	.91
TEAMALL	0.910	0.000	.89

Using the results from the two data sets of RM98 data a test-retest reliability measure was established for the RM98 scale. The countries included in this analysis were Spain, Singapore, Australia and the United States. Table 12

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indicates that all five subscales achieved significance in this correlation analysis and support the robustness of RM98.

**Table 12**  
**Spearman Rank Order Correlation RM98 Sample I × Sample II**

<b>Subscale</b>	<b>Spearman</b>	<b>Approximate Significance</b>
PDI	0.800	0.000
LTO	0.880	0.002
UAI	0.650	0.004
MAS	0.700	0.000
IDV	0.960	0.001

• **VSM94**

**and RM98**

Having established rank orderings for all RM98 constructs, the next step involves measuring the levels of association between Sample 1 RM98 rank data and Sample 1 VSM rank data using the SPRC statistic. The relationships being tested between VSM94 and RM98, as defined in the original hypotheses, are summarized in conjunction with the Spearman Rank Order Correlation results for Sample 1 in Table 13.

**Table**  
**Spearman Rank Order Correlations VSM94 × RM98**

Source Hypothesis	VSM94 Construct	RM98 Construct	Spearman Sample 1	Significance Sample 1	Spearman Sample 2	Significance Sample 2
H <sub>1</sub>	LTO	PENSION	0.745	0.002	0.698	0.001
H <sub>2</sub>	UAI	SECURITY	0.600	0.004	0.590	0.004
H <sub>3</sub>	MAS	WORKHR	-0.224	0.533	0.300	0.655
H <sub>4</sub>	MAS	WELFARE	0.180	0.615	0.160	0.020
H <sub>5</sub>	IDV	TEAMPAY	0.927	0.004	0.877	0.003
H <sub>6</sub>	IDV	TEAMALL	1.000	0.000	0.977	0.000
H <sub>7</sub>	PDI	HIERAR	1.000	0.000	0.950	0.001

As evidenced in Table 13, positive and highly significant relationships existed for all data except for (MAS × WORKHR) and (MAS × WELFARE). These relationships failed to achieve significance in either of the two samples.

### 3. Discussion and Conclusions

This paper presents ecological level analyses for the relationship between national culture and employee remuneration preferences using data from 2 samples across 16 countries. These analyses included replication of VSM94 results and RM98 results, test-retest reliability analysis for both instruments, and measures of associations between VSM94 and RM98 data. The results from this study have also expanded the individual country findings by including data from countries new to the literature in the areas of remuneration and culture. These countries include Austria, Scotland, Spain and Greece. The rank order replication of the Hofstede national culture indices supports the validity and robustness of the VSM94 scale at the ecological level. These replication results suggest that national culture can continue to be validly represented by measuring the degree of inequality in society (power distance index), the Confucian dynamic (long-term orientation index), the intolerance of ambiguity (uncertainty avoidance index), the degree of masculinity (masculinity index) and the degree of individualism (individualism index). All of the indices developed significant associations. Rather

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than accepting Hofstede's VSM94 index on face value, the data from countries existing in both samples, produced robust results in the replication analysis. The ecological analyses involving the test-retest reliability measures for VSM94 established reliability for all five indices.

The rank order replication of the RM98 remuneration indices supports the validity and robustness of this scale at the ecological level. These replication results suggest that employee remuneration can continue to be validly represented by measuring preferences in the areas of pension, job security, working hours, welfare benefits, teampay, perquisites and bonus. All of the indices developed significant associations across both samples. The measured associations between the national culture constructs (VSM94) and employee remuneration preferences (RM98) provide support for all but two of the original hypotheses. As the masculinity index for a country decreased the data failed to demonstrate an increase in employee preference for shorter working hours ( $H_3$ ) and failed to demonstrate an increase in the preference for obtaining family welfare benefits in lieu of a higher base pay ( $H_4$ ). This may be due in part to the fact that this dimension does not yield as "intuitive" a clustering as do other dimensions (House et al, 2004, p. 346). House et al also point out that "Hofstede's masculinity/femininity measure confounds at least four dimensions of societal culture and possibly others" (2004, p. 347). Therefore it may prove too difficult to isolate the correlation of this index with other measures such as remuneration. This relationship warrants further investigation beyond the bounds of this study.

- **Implications for Managers**

Socially intelligent managers should be aware of the cultural values of their employees, as these values are an integral part of employee motivation systems. The implications for management from this study are that managers specifically need to take national culture values into consideration when designing global pay programs. Therefore socially intelligent managers face the challenge of doing their homework on the diverse cultural values of each employee group, beyond just the quantitative budget constraints when designing remuneration programs. Even within a closed system of pay and benefits, this study has demonstrated the preferred employee distribution within that system may vary by cultural group. Although some believe we live at a time when the problem of understanding social intelligence can be fully solved (Hawkins, 2004, p. 2; Sternberg, 1999), there still remain many opportunities for contributing to that definition. This paper has attempted to contribute to the definition by suggesting that part of social intelligence is understanding culture. This study has provided a practical example of the importance of understanding culture while managing employee remuneration preferences.



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- **Limitations**

Culture is presented as an independent variable but broader applications may be possible by considering national culture as a moderating contextual variable that creates conditions in which elements of diversity make a difference (Oslanf & Bird, 2000, p. 179). The study treats culture in singular terms as unique and uniform. However a more accurate representation may be to consider it as a constant process of hybridization (Shimoni & Bergmann, 2006). It may be important to articulate globalization through a hybridization lens rather than through a global/local lens. Perhaps future research needs to allow for a more polymorphous approach to cross-cultural data collection (Jack & Westwood, 2006). In the test-retest analysis reliability may have been somewhat improved had the samples also been matched at the individual level, rather than only at the country level. The test-retest results were substantially limited by the small sample size of matched countries within both surveys.

- **Future Research**

Future research should establish better measures for the relationship between the masculinity index and remuneration preferences. Perhaps an improved model should replace the MAS index with GLOBES's Gender Egalitarianism measure which reflects societies' beliefs about whether members' biological sex should determine the roles they play in society (House et al, 2006, p. 348). More countries in new areas would add to the completeness of the model. Future research could measure the effect of matching remuneration results to national culture in terms of employee satisfaction.

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### Appendix 1 RM98 Survey Items

Culture Index	Remuneration Index	Survey Item
PDI	HIERAR	The bonus that each employee receives should be based on the employee's grade level
		Perquisites should be offered to both management and non-management
		Management should receive larger bonuses than non-management
LTO	PENSION	A company pension plan is an important benefit to me
		I would prefer that company pension contributions were paid into one of the other employee benefit plans instead
UAI	SECURITY	I am more interested in holding on to my job for a long time than in increasing my pay
MAS	WORKHR	I would be willing to forgo an annual pay increase if it meant that I could keep my job for another year
		I would like the opportunity to work fewer hours for less pay i.e. decreased pay
		I would like the opportunity to take time off without pay for additional vacation
	WELFARE	I would like the opportunity to receive higher pay instead of receiving welfare benefits for my dependents
		I would like the opportunity to purchase increased levels of welfare benefit coverage for my dependents
IDV	TEAMPAY	Employees who are <i>project team members</i> should have some of their pay based on the team's performance
		Employees who are <i>self-managed work team members</i> should have some of their pay based on that team's performance
	TEAMALL	All team members should be paid the same
		Pay should be based on an individual's contribution to the team
		A team works best when all members get the same rewards
		A team works best when the best workers receive more rewards

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### Appendix II

#### Descriptive Statistics and Correlations: Individual Characteristics, Remuneration

Variable	M	S D	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
% males	78.0	.81																			
Education (# yrs)	15.5	.90	.51																		
Age (yrs old)	36.5	2.2	.42	-.20																	
% with no dependents	20.5	5.0	.36	.27	.77																
% with team experience	98.2	0.53	.01	.08	.61	-.01															
% with team pay	90.0	1.0	.13	.13	.18	-.03	.00														
Job tenure (yrs)	10.0	1.50	.48*	.22	.82	.00	.80	.00													
% with spousal benefits	15.8	0.91	.11	.06	.38	.08	-.05	-.04	-.01												
Remuneration Satisfaction (out of 35 pts)	16.0	1.13	-.25	.60	.22	.13	-.20	-.08	.44*	.00											

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<b>Intrinsic job characteristics (out of 50 pts)</b>	13.6	24.3	.02	.32	.38	-.10	.18	-.16	.38	.18	.77									
<b>% with job insecurity</b>	12.0	16.6	.09	.15	.51	.00	.00	.13	.51	-.05	.68	.00								
<b>Job performance (out of 100%)</b>	98.0	00.7	.18	.29	.46*	.08	-.20	-.05	.28	-.11	.33	.69	.51							
<b>% Typical Views relative to other people</b>	85.1	61.0	.42	-.29	-.03	.00	.00	.00	.25	.00	.01	-.00	.10	-.16						
<b>PENSI ON (out of 10 pts.)</b>	5.1	0.52	-.01	.02	.31	.05	.00	.13	.61	.31	.00	-.13	.49	.01	.15					
<b>HIERA R (out of 15 pts.)</b>	6.9	0.88	.13	-.08	.18	.00	-.43	.00	.55	.00	.25	-.09	.02	.13	.33	.11				
<b>SECURITY (out of 10 pts)</b>	7.0	0.22	.28	.11	.22	-.05	-.05	.14	-.21	.00	.18	-.01	.76*	.11	.33	.28	.09			
<b>WOR</b>	5.0	0.1	.0	.3	-	-	-	-	.1	.7	.0	.0	.1	.0	-	.0	.0	.1		

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<b>KHR</b> (out of 10 pts.)	0	.73	1	0	8	.09	.09	.06	3	6	8	0	8	8	.02	8*	2	7			
<b>WELFARE</b> (out of 10 pts.)	4.8	0.73	.48	.18	.42	.72	.00	.11	.12	.01	11	.06	.02	.00	.08	.15	.15	.13	.11		
<b>TEAM PAY</b> (out of 10 pts.)	4.8	0.06	.13	-.10	.09	.00	.06	.00	-.23	-.05	-.01	.01	.00	-.01	.11	.00	0.00	-.08	.08	.02	
<b>TEAM ALL</b> (out of 20 pts)	12.3	1.10	-.02	.01	.16	-.01	.01	.00	-.25	-.01	-.06	-.13	-.08	.11	.06	-.05	-.05	-.02	.09	-.10	.73**

N= 821

\*p < .05, \*\* p< .01, \*\*\*p< .001

Two-tailed tests