

Track no. 20: The development of Incentive systems in management practice of the Nordic countries

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Like many other phenomena formal incentive systems have travelled from an Anglo-Saxon context into the Nordic countries, although the traditions of using such systems are not very old here. However, formal incentives systems have gained popularity in a growing number of organisations. In Sweden formal incentive systems based on extra monetary bonuses to executives first was brought to the attention of a wider public through media reports on alleged exuberant executive remuneration causing some kind of public outrage. Pay levels, compensation differences, bonuses, fringe benefits and golden parachutes are some of the concepts covered in these areas together with some other constructs of incentives. From an academic viewpoint there is no consensus concerning incentives in private companies. Research findings highlighting the positive motivation stimulation generated by incentive systems exist as well as research that dismisses most possible connections between incentives and performance. There are also research findings concluding that incentive systems might be counterproductive, hindering reaching organizational goals or lowering performance levels. Especially, the intriguing task of measuring performance in a way that is perceived as fair, which vital in classical use of incentive systems, has been considered a problem in contemporary business life with increasing complexity.

Besides the phenomena of formal incentive systems primarily targeted for business executives, investment bank brokers or other professionals within the private financial sector, incentive systems can be found in other areas as well. Such areas can be incentives for broader layers of employees – not only for specialists or executives – as well as incentive systems in the public sector. The debate on whether privately owned companies providing public service funded entirely with tax money should be allowed to generate and pay profits or dividends to employees or owners is currently rather intense, and can be seen as one example of the role of incentives in work life in general. The connection between incentives and the concept of motivation is at heart of an on-going discussion of what makes people tick.

Being interested in incentives does not, however, require an interest in motivation. Incentives can be studied from a genealogic viewpoint, e.g. from where the phenomena originates, how it has spread in organizations, different types of businesses and countries, and between nations. The effects or consequences of incentive system use in organisations are of course of great interest and especially how and if it is interrelated and/or intertwined with managerial practices. Of further interest is, if incentives trigger or restrain cooperation, involvement etc.

A particularly interesting issue would be to compare different types of incentive studies from a Nordic perspective. What similarities and differences can be found in incentive systems across the Nordic countries? Is the phenomenon of

incentive systems equally common in the different Nordic countries? Are incentive systems initiated in similar or different ways across the North? What types of reactions have incentive systems met? Are they differently used and interrelated with managerial practices?

This track welcomes a wide variety of contributions connected to the concept of incentives and incentive systems. Especially welcome are comparative studies on the matter.

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