

The role of social culture on employees' preference for Reward rules: A study in Arab countries

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Abstract. This study examines the role of social culture in shaping employee preferences for reward systems in five Arab countries: Jordan, Saudi Arabia, the United Arab Emirates, Egypt, and Kuwait. Recognizing the diversity of cultural, economic, and social contexts within the Arab world, the research aims to explore how cultural values influence attitudes toward different types of rewards, including monetary incentives, recognition programs, and career advancement opportunities. The study population consists of employees from different sectors in these five countries, with a sample of 694 participants. Of these, 343 individuals responded, representing a variety of industries, organizational levels, and demographic backgrounds. The results indicate that cultural factors, such as collectivism, respect for authority, family ties, and social hierarchies, significantly influence employee preferences for reward systems. Employees in countries such as Saudi Arabia and Kuwait, where hierarchical structures are more prominent, showed a stronger preference for rewards linked to seniority and status. In contrast, respondents from the UAE and Jordan, who have greater exposure to modern organizational practices, indicated a higher preference for performance-based reward and recognition programs. Egyptian employees were found to emphasize the importance of job security and long-term career advancement opportunities over immediate cash rewards. Based on these findings, the study recommends that organizations operating in the Arab world adapt their reward systems to align with the cultural values and social expectations of their workforce. Specifically, reward programs should take into account the importance of hierarchy, family values, and group dynamics, while incorporating performance-oriented incentives where appropriate.

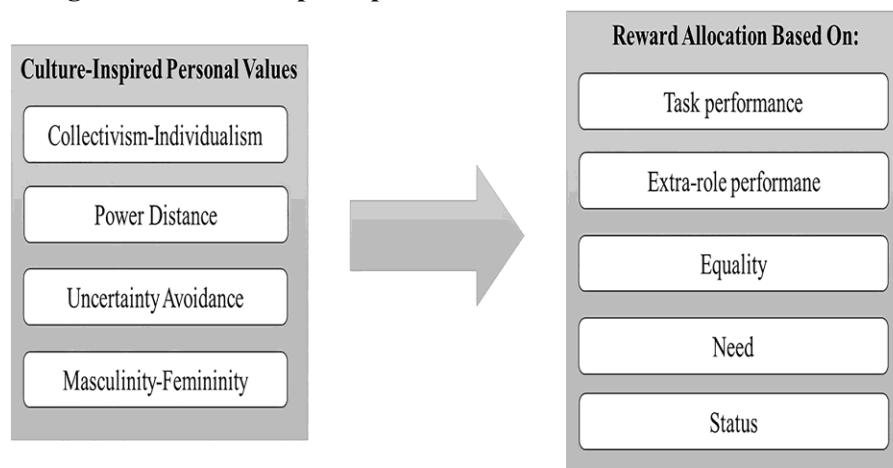
Keywords: Arab countries, Cross-cultural Management, Employee Preferences, Reward Systems, Social Culture.

1. Introduction

In the contemporary globalized business environment, organizations increasingly recognize the importance of aligning reward systems with the values and preferences of their employees. Effective reward systems are crucial for fostering motivation, enhancing performance, and ensuring employee satisfaction. However, the design and implementation of these systems can be deeply influenced by cultural norms and social values, which vary significantly across regions. Understanding the role of culture in shaping employees' preferences for reward rules is particularly critical in diverse and dynamic regions such as the Arab world. The Arab region, comprising a variety of countries with distinct social, political, and economic contexts, presents a unique setting for exploring how social culture affects organizational practices, especially in the realm of employee rewards (Chenet al., 2002). While research on reward systems has largely focused on Western models, there remains a gap in understanding how culture shapes employee preferences in the Arab context, where factors such as collectivism, family ties, religious values, and respect for authority may play a substantial role in shaping attitudes toward rewards and recognition. This study aims to address this gap by examining the role of social culture in influencing employees' preferences for reward rules across several Arab countries. By investigating the interplay between cultural values and reward preferences, this research seeks to contribute valuable insights for organizations operating in the Arab world. Specifically, it explores how factors such as hierarchy, social relationships, and the importance of group over individual achievement impact employees' attitudes toward monetary rewards, recognition programs, and career advancement opportunities (Colquitt

&Scott,2006) Furthermore, the study provides a comparative analysis across different Arab countries to assess whether there are shared cultural influences or notable differences in reward preferences within the region. The worldwide expansion of business has transformed the organizational environment (Rode et al., 2016). Emerging business prospects coincide with fresh challenges for management (Adamovic, 2018; Caprar et al., 2022). A significant and demanding responsibility for organizations is the creation of reward systems (Amadi et al., 2021; Bayo-Moriones et al., 2022;). This task is especially difficult for multinational corporations since employees in the contemporary global business environment frequently come from diverse cultural backgrounds and thus hold varying expectations regarding reward distributions (Prince et al., 2020; Colquitt et al., 2013). Employee remuneration serves as a crucial motivational instrument (Caza et al., 2015) and concurrently represents the most significant operational expense for numerous organizations to create efficient reward systems, managers and organizations must gain a deeper understanding of their employees' preferences regarding reward distribution rules. Enhancing the understanding of allocation regulations will assist. Organizations to draw in additional skilled workers, keep their existing staff, and boost employee motivation (Scott et al., 2015; Shaw & Gupta, 2015). A key inquiry in the field of international human resource management (HRM) research is whether multinational companies need to modify their reward management practices to suit different cultures (Caprar et al., 2022). Previous studies indicated that multinational companies face challenges when implementing a merit pay system as a reward mechanism across various countries (Adamovic, 2018; Bartram et al., 2015). For instance, when Amazon initially launched in Germany, its compensation and management methods faced significant criticism from its multinational corporations have faced challenges in applying merit pay systems across different cultures, and national governments encounter analogous issues (Bae, 2021; Bryson et al., 2017). Asian governments have attempted to implement a merit pay system for public workers to replace conventional seniority-based frameworks. Nonetheless, public workers frequently opposed merit-based compensation. For instance, in 2016, public workers in South Korea turned down merit pay and reacted with the largest strikes the nation had ever experienced .

Figure 1 Culture-inspired personal values and allocation rules



Second, drawing on prior research on allocation rules (Bolino & Turnley, 2008) we aim to clarify inconsistent findings of prior research. Several cross-cultural studies reported that individualism relates to a preference for an equity rule while collectivism relates to a preference for an equality rule; Ramamoorthy et al., 2019; Silva & Caetano, 2016). However, several studies also reported non-significant effects of individualism and collectivism on both allocation rules (Bolino & Turnley, 2008, Silva & Caetano, 2016). To solve this puzzle, we focus on the distinction between task versus extra-role performance. This distinction is important, because individualistic and collectivistic employees may both value equity as allocation rule we argue that individualistic employees prefer task performance-based equity, whereas collectivistic employees prefer extra-role performance-based equity.

Previous research on reward allocation rules

To analyse the allocation of outcomes such as pay, bonus, and promotion, prior research often draws on equity theory which assumes that inputs (quality of work, productivity, effort, etc.) and outputs (salary, bonus, promotion, etc.) are exchanged between the two actors (Ambrose & Arnaud, 2005; Bolino & Turnley, 2008). Prior research identified the following inputs: Performance, quality of work, productivity, contribution, effectiveness, quantity, work effort, skill level, commitment, loyalty, and having good relationships with coworkers and supervisors (Ambrose & Arnaud, 2005;).

Initial research also identified three allocation rules that supervisor can use allocate rewards: (1) equity, (2) equality, and (3) need. The ratio of inputs and outcomes therefore determines the perceived fairness of a reward allocation. According to the equity rule, employees perceive the exchange of inputs and outputs as fair, if employees with the greatest inputs receive the greatest outputs (Bachkirov & Shamsudin, 2017; Colquitt, et al., 2013). However, the application of other allocation rules, such as equality and need, to distribute outcomes is also (Prince et al., 2020). Prior research suggests that, in collectivistic cultures, managers apply equality as the allocation rule to distribute outcomes equally among employees, independently of their inputs (Beugré, 2007). Based on job performance research, equity can be classified into task and extra-role performance-based equity to create a more fine-grained understanding. This distinction will help to clarify the inconsistent findings of previous cross-cultural research on allocation rules. Job performance research has shown that not only an employee's task performance is a crucial factor of an employee's performance but also an employee's extra-role performance such as work effort, loyalty, helping coworkers, and maintaining good relationships with coworkers. Applying task performance as basis for an allocation means that supervisors reward employees with the highest task performance in terms of a better quality of work, productivity, and provision of more important contributions (Ancona & Caldwell, 1992). The distinction between task and extra-role performance for the equity rule is in line with prior research about allocation rules that has classified equity into two sub-dimensions. Bolino and Turnley (2008) distinguish between task-performance contributions (similar to task performance-based equity) and contextual-performance contributions (similar to extra-role performance-based equity) in assessing equity.

Review of cultural value research at the individual level

To capture the influence of an employee's cultural background on her or his preferences for allocation rules, we analyse cultural values at the individual level of analysis (Adamovic, 2022). Culture in management research is often equated with cultural values (Rattrie et al., 2020; Steel et al., 2018). Values at the individual level are often called culture-inspired personal values or cultural value orientations and can be defined as assumptions of individuals that are influenced by their cultural background and that guide their thinking and behavior. Traditionally, cross-cultural research tends to aggregate cultural values at the national level, or to rely on aggregated scores collected from previous studies. Yet, numerous scholars argued that the individual level is also an appropriate and important level of analysis for values. Prior research also questions whether nations represent a better unit of analysis for value research. For example, only 3%–18% of the variance in cultural values exists between nations, compared to 82%–92% within nations (depending on the considered cultural value dimension) (Steel & Taras, 2010). In our globalised and diverse world (Adamovic, 2020; Adamovic & Leibbrandt, 2022), many different sub-groups exist within countries, making the measurement of values at the individual level a relevant issue. Not everyone adheres to the salient cultural values of her or his country. For example, the common classification of Asian countries as collectivistic countries does not mean that every Asian works, thinks, and acts in a collectivistic way. Therefore, we analyse culture-inspired personal values at the individual level.

Hypotheses and theoretical background

Based on value theory and allocation rule research (Bolino & Turnley, 2008), we argue that people with different culture-inspired personal values are likely to prefer different allocation rules. In the following, we explain the relationships between culture-inspired personal values and preferences for allocation rules.

Culture-inspired personal values and task performance-based equity

We suggest that employees with an individualism orientation prefer task performance as a basis for reward allocations. Employees who are high in individualism tend to define their personal self-based on individual characteristics. These employees often act and think in congruence with their individual beliefs and attitudes independently of the group's beliefs and attitudes. They further tend to put a higher value on the achievement of personal goals than on the goals of the group. Because of this individualistic and instrumental approach to work, it might be important for these employees that individual task performance is recognized and rewarded (Beugré, 2007; Bolino & Turnley, 2008). Therefore, they are likely to prefer task performance as a criterion for rewards. They may also believe that rewarding individual performance is more effective for organizational functioning than providing collective rewards. This theoretical prediction is in line with prior research about individualism and reward allocations (Silva & Caetano, 2016).

1. Hypothesis (1) Employees with high individualism scores prefer that rewards are allocated based on task performance.
2. Hypothesis (2) Employees with high masculinity scores prefer that rewards are allocated based on task performance.

Employees with a masculinity orientation tend to think that men are superior to women in certain occupations and leadership roles, and they are often motivated by achievement, assertiveness, competition, success, performance, and winning. They are motivated to work harder if their work environment emphasizes these value attributes. This instrumental performance orientation makes it likely that these employees prefer allocations that are based on task performance. To them, it appears, that only the results count, and not the pathway to achieving the results. Task relevant criteria and results like task performance and quality of results are therefore likely to be preferred as basis for reward allocations (Beugré, 2007). Employees with a masculine orientation may favor allocations that reward merit and recognize their accomplishment. This will provide them with the feeling that their individual task performance contributed to their received outcome. Employees high in uncertainty avoidance are considered to feel uncomfortable if they experience uncertainty in their workplace, they may try to reduce uncertainty through formal rules, standards, and rules that standardize their work and create clear expectations regarding tasks and goals (Rapp et al., 2011). People high in uncertainty avoidance may need a clear structure in the workplace that creates predictability. To reduce uncertainty in the workplace, it is likely that these employees value task performance as a basis for allocations.

Hypothesis b1 Employees with high uncertainty avoidance scores prefer that rewards are allocated based on task performance.

Culture-inspired personal values and equality

When allocating outcomes, the equality rule means that all employees receive the same outcome, independently of their performance. The allocation of outcomes is therefore based on the principle of equality and not equity. We argue that employees with a collectivism orientation and employees with a femininity orientation prefer equality to allocate rewards. Employees with a collectivism orientation believe that all employees in an organization are part of the same group. The functioning of the group and the organization is the priority for these employees. To guarantee effective functioning and harmony among employees, employees with a collectivism orientation are likely to prefer that every employee will be rewarded in the same way. Equality, as the allocation rule, is likely to strengthen group identification and improve relationships among coworkers, which are often highly valued by employees with a collectivism orientation. Equality should be therefore the preferred allocation rule. Our theoretical prediction is in line with prior research, which suggests that employees from collectivistic cultures tend to prefer equality as the allocation rule.

Hypothesis (1c) Employees with high collectivism scores prefer that rewards are allocated equally.

Similarly, we expect that employees with a femininity orientation value equal allocations of rewards. Employees with a femininity orientation are considered to significantly care about the quality of interpersonal relationships and harmony among employees. Instead of being motivated by instrumental

outcomes, employees with a femininity orientation are often motivated by the quality of life and harmonious relationships with coworkers.

Hypothesis (2c) Employees with high femininity scores prefer that rewards are allocated equally.

We further expect a positive relationship that employees with a low score on power distance will support an equal allocation of rewards. Employees low in power distance often does not tolerate power and status differences, they tend to reject hierarchy and authority (Anand et al., 2018), preferring a workplace where employees are equal and equally rewarded, independent of any status and power (Beugré, 2007). Our theorizing is in line with the work who concluded that people low in power distance tend to value the equality rule to allocate outcomes.

Hypothesis (3c) Employees with low power distance scores prefer that rewards are allocated equally.

Data and methods

Sample and data collection procedures

We conducted a two-wave online survey with employees in 5 countries to generalize our findings across cultures and ensure sufficient variation in the culturally inspired personal values and preferences of the allocation rules. The employees worked in different organizations in different industries. A total of 694 employees participated in the first survey. Of these 694 employees, 343 completed the second survey, yielding a response rate of 49%. This study focuses on employees from five Arab countries: Jordan, Saudi Arabia, the United Arab Emirates (UAE), Egypt, and Kuwait. These countries represent a diverse cross-section of the Arab world, with distinct cultural, economic, and social contexts. Despite their shared Arab heritage, each of these nations has unique characteristics that may influence employees' preferences for reward systems. For example, Saudi Arabia and Kuwait are known for their strong emphasis on hierarchical structures and traditional family-based values, while the UAE and Jordan display a blend of modernity with deep-rooted cultural traditions. Egypt, with its large population and diverse workforce, offers insights into the complex interplay of economic challenges and social dynamics. Together, these countries provide a rich and varied backdrop for exploring how cultural factors shape employees' expectations and attitudes toward rewards in the workplace. The sample for this study consisted of 694 employees from various sectors and organizational levels across these five countries. These participants were selected through a purposive sampling method to ensure a representative spread of demographic variables, including gender, age, education level, and work experience. Out of the initial sample, 343 individuals responded, yielding a response rate of approximately 49%. The respondents were drawn from a range of industries, including public and private sectors, healthcare, education, finance, and manufacturing. This diversity in the sample helps provide a comprehensive understanding of the factors influencing reward preferences across different contexts within the Arab world. Based on the GLOBE study that identified 10 different cultural groups.

Measurement

The participants responded on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Professional translators translated the original scales, which were then back-translated and proofread by bi-lingual speakers. If any discrepancies emerged, the translators discussed them with the first author and agreed on a definition (Sireci et al., 2006).

Allocation rule preferences

We used the following instruction: 'When the supervisor distributes outcomes (e.g., pay, bonus, promotion, performance evaluation, etc.),' followed by the items. The three items for task-performance equity reflect the criteria quality, effectiveness, and productivity, which were often used by previous research to measure task performance (e.g., Ancona & Caldwell, 1992). The Cronbach alpha was 0.87. To measure extra-role performance-based equity, we selected three items to reflect work effort, loyalty, and relationships with coworkers that were included by prior research to measure extra-role performance (e.g., Belfort & Hatrup, 2003).

Culture-inspired personal values

We used the items of Dorfman and Howell because they developed cultural value items at the individual level of analysis and their items are based on the original work of Further, their scales have been often used by prior research to analyses cultural value orientations and employees'

perceptions and attitudes. An example of collectivism–individualism is ‘Group welfare is more important than individual rewards.’ The coefficient alpha was 0.70. An example of power distance is ‘Managers should make most decisions without consulting subordinates.’ The alpha was 0.71.

Results

Confirmatory factor analysis

The measurement model included nine latent variables: collectivism-individualism, power distance, uncertainty avoidance, masculinity-femininity, extra-role performance-based equity, task performance-based equity, equality, need, and status. The model provided a good fit to the data, χ^2 (588) = 3348.97; CFI = 0.94; TLI = 0.93; RMSEA = 0.037; SRMR = 0.042. We compared the original model with models that included a different number of allocation factors. First, we combined extra-role with task performance-based equity. The model fit got worse ($\Delta\chi^2$ [8] = 1219.33, $p < 0.05$). Next, we combined need with equality. The model fit got worse ($\Delta\chi^2$ [8] = 2692.22, $p < 0.05$). Finally, we combined all allocation factors to one overall allocation factor. Again, the model fit got worse ($\Delta\chi^2$ [26] = 11,085.91, $p < 0.05$).

Descriptivestatistics

Correlations, means, and standard deviations are represented in Table 2. We also calculated the means for the different countries

TABLE 2 Descriptivestatistics, correlations, and Cronbach alphas

1. Gender (0 = male, 1 = female)	0.51	0.50												
2. Age	43.03	11.55	-0.10**											
3. Long-term orientation	3.71	0.71	-0.12**	-0.07**	(0.70)									
4. Collectivism-individualism	3.26	0.79	-0.11**	-0.11**	0.16*	(0.70)								
5. Power distance	2.50	0.70	-0.11**	-0.03*	0.17*	0.09*	(0.71)							
6. Masculinity-femininity	2.35	0.84	-0.21**	-0.01*	0.23*	0.12*	0.35**	(0.81)						
7. Uncertainty avoidance	4.25	0.53	-0.01	-0.03*	0.37*	0.17*	0.12**	0.04*	(0.83)					
8. Extra-role performance	3.71	0.71	-0.05**	-0.07**	0.18*	0.18*	0.14**	0.14*	0.24*	(0.66)				
equity														
9. Task performance equity	4.38	0.71	-0.00	-0.03*	0.13*	0.02	0.06**	-0.01*	0.19*	0.43*	(0.87)			
10. Need	2.77	0.85	-0.05**	-0.06**	0.07*	0.11*	0.10**	0.13*	0.01*	0.29*	0.09*	(0.81)		
11. Equality	3.99	0.86	0.02	-0.05**	0.04*	0.10*	-0.04*	-0.09**	0.07*	0.04*	-0.01*	0.20*	(0.76)	
12. Status	2.77	0.85	-0.05**	-0.03*	0.10*	0.09*	0.21**	0.21*	0.05*	0.26*	0.01*	0.40*	0.09*	(0.80)
13. Engineering	0.09	0.29	-0.15**	-0.06**	0.03	0.05*	0.06**	0.05*	0.01	0.02	0.03	0.02	-0.01	-0.01
14. Production	0.08	0.26	-0.05**	0.00	0.00	0.03	0.03	0.01	0.02	-0.02	0.00	0.02	0.02	0.02
15.	0.07	0.26	0.04*	-0.05	0.03*	0.01	0.01	0.00	0.01	0.00	0.04*	-0.01	-0.01	-0.02

Finance/Banking				**											**
16. Human resource management	0.04	0.20	0.05*	-0.04*	0.03	0.02	0.04*	0.035*	0.02	0.02	0.02	-0.02	0.02	0.00	-0.07**
17. Marketing	0.03	0.18	0.03	-0.04*	0.02	0.02	-0.01	0.01	0.02	0.06*	0.02	0.00	0.01	0.00	-0.06**
18. Planning	0.02	0.13	-0.01	0.00	0.03	0.05*	-0.01	0.00	0.05*	-0.01	0.00	0.01	0.01	-0.01	-0.04*
19. Research and development	0.02	0.15	-0.03	-0.02	0.01	0.02	-0.01	0.00	-0.03	0.00	0.01	-0.02	-0.04*	-0.02	-0.05**
20. Education	0.11	0.31	0.07*	0.01	-0.01	0.01	-0.07*	-0.04*	-0.02	0.01	-0.02	0.02	0.02	0.00	-0.11**
21. Support services	0.04	0.20	-0.08**	0.02	0.01	0.03	0.03	0.06*	0.00	-0.02	-0.02	-0.02	-0.02	0.03	-0.07**

Mean		SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Governments/institution/Political party	0.05	0.22	-0.05**	0.03	-0.02	-0.04*	-0.01	0.02	0.00	-0.04*	0.01	-0.01	0.01	-0.04*	-0.08**	-0.07**

23. Transportation	0.04	0.19	-0.08**	0.03	0.04*	-0.03	0.06*	0.04*	0.02	0.03	-0.01	0.04*	0.00	0.05*	-0.06**	-0.06**
24. Law	0.02	0.14	0.03	0.00	0.02	-0.03	0.00	-0.02	0.02	-0.02	0.02	-0.04*	-0.04*	0.02	-0.05**	-0.04*
25. Postal	0.01	0.08	-0.01	0.02	0.00	0.01	-0.03	0.02	-0.02	-0.01	0.01	-0.01	-0.01	0.00	-0.03	-0.02
26. Telecommunications	0.02	0.15	-0.05**	-0.04*	0.00	0.00	-0.02	-0.01	-0.01	0.01	0.02	-0.01	-0.01	-0.03	-0.05**	-0.05**
27. Retail	0.09	0.29	0.08*	0.01	-0.01	-0.04*	0.03	0.00	0.03	0.02	-0.01	0.04*	0.00	0.03	-0.10**	-0.09**
28. Insurance	0.01	0.11	0.00	0.02	0.00	0.02	0.00	0.01	-0.01	-0.03	0.00	-0.03	0.00	-0.01	-0.04*	-0.03
29. Social services	0.04	0.19	0.06*	0.02	0.01	-0.04*	-0.01	0.02	-0.03	-0.01	-0.03	0.00	-0.01	0.02	-0.06**	-0.06**
30. Health care	0.07	0.26	0.08*	0.01	-0.05**	0.01	-0.07**	-0.07**	0.03	-0.02	-0.08**	-0.02	0.01	-0.01	-0.09**	-0.08**
31. Culture/Art	0.02	0.15	0.03	0.02	-0.04*	-0.03	-0.02	-0.03*	-0.04	-0.01	0.01	-0.02	0.04*	-0.01	-0.05**	-0.04*
32. Television/Film	0.00	0.07	0.00	-0.01	-0.05**	-0.01	-0.04*	-0.05**	-0.05**	-0.02	-0.03	-0.02	0.02	-0.01	-0.02	-0.02
33. Scientific research	0.01	0.09	0.02	-0.03	-0.01	-0.01	-0.02	-0.01	-0.01	-0.03	0.01	-0.02	0.00	-0.05**	-0.03	-0.03
34. Other	0.11	0.31	0.01	0.07*	-0.04*	-0.04*	0.00	-0.04*	-0.04*	0.00	0.00	-0.01	-0.01	0.00	-0.11**	-0.10**
35. Jordan	0.05	0.21	-0.01	0.02	-0.09	-0.13	0.08*	-0.04	-0.02	0.04*	0.05*	0.03	-0.03	0.03	-0.02	0.00

					**	**	*	*			*					
36. Saudi Arabia	0.04	0.20	-0.01	0.19*	0.06*	-0.18	0.02	-0.01	0.04*	-0.01	0.00	-0.05	-0.04	-0.03	-0.03	-0.03
37.UAE	0.04	0.20	-0.01	0.00	-0.12	-0.07	-0.04	-0.04	-0.15	-0.13	-0.03	-0.09	-0.01	-0.04	-0.03	0.00
38.Egypt	0.05	0.21	-0.01	0.07*	-0.11	-0.13	-0.03	-0.04	-0.11	-0.08	-0.07	-0.01	-0.05	0.03	-0.06	-0.01
39.Kuwait	0.02	0.15	0.02	-0.01	0.04*	0.07*	-0.04	-0.03	0.08*	0.10*	0.01	-0.05	0.05*	0.01	-0.01	-0.02

Note: N = 3432. Reliabilities (coefficient alphas) appear in parentheses on the diagonal.

**p < 0.01; *p < 0.05.

Hypothesis testing

To test our hypotheses, we conducted a multilevel path analysis (Table 3) using Maples version 8.3, because portico pants were nested in countries. Using Maples allowed to test include all cultural value dimensions and preferences for allocation rules in the same model. The results are presented in Table 3.

Hypothesis 1 is partially supported by the results, because employees with high individualism ($\beta = -.06$, $p < .01$) and uncertainty avoidance scores ($\beta = .10$, $p < .01$) tend to prefer task performance-based equity allocations. However, masculinity did not have a significant effect ($\beta = -.04$, $p = .161$).

Hypothesis 2 is supported, because employees with high collectivism ($\beta = .06$, $p < .05$) and power distance scores ($\beta = .05$, $p < .01$) prefer extra-role performance-based equity.

Hypothesis 3 is supported by the results, because employees with high collectivism ($\beta = .08$, $p < .01$) or femininity scores ($\beta = -.08$, $p < .01$) or low power distance scores ($\beta = -.04$, $p < .01$) tend to prefer equality-based allocations.

Hypothesis 4 is supported by the results, as employees with high power distance ($\beta = .14$, $p < .01$) or masculinity scores ($\beta = .12$, $p < .01$) prefer the status rule. Finally, Hypothesis 5 predicted that employees with high collectivism or femininity scores prefer need-based allocations. This hypothesis is partially supported. Employees with high collectivism scores ($\beta = 0.08$, $p < 0.001$) tend to prefer need. However, not femininity but masculinity was positively related to need-based allocations scores ($\beta = 0.08$, $p < 0.01$).

Discussion

Adopting the approach of previous international HRM research . we drew on Hofstede's cross-cultural management framework to explain how employees' value orientations influence the way in which they experience reward allocations. We developed a theoretically informed model specifying how culture-inspired personal values influence employees' preferences for reward allocation rules. We further provided empirical evidence for the relationship between value orientations and reward allocation rules in a rigorous way. The results indicate that value orientations explain employees' preferences for allocation rules beyond demographic characteristics, educational level, industry, and country. Through our findings, we make several contributions that expand cross-cultural research on reward allocation rules.

Theoretical contributions

We contribute to an ongoing debate within international HRM research that refers to whether multinational organizations should adapt their reward management practices across cultures (Adamovic, 2018, 2022; Bartram et al., 2015; Caprar et al., 2022). Theoretically, our findings provide support for a contingency perspective than for a universalistic perspective (e.g., Caprar et al., 2022), because employees' preferences for reward allocation rules depend on their value orientations. The results support the majority of hypotheses and suggest that it would be beneficial for multinational organizations to conduct a cross-cultural adaptation for reward management practices based on their employees' value orientations. Managers need to pay attention that their allocation of outcomes matches their employees' cultural value orientations and their preferences for allocation rules. Such cultural match is likely to increase employees' satisfaction with outcomes and perceptions of fairness. In contrast,

Table 3 Results of multilevel path analysis

	Extra-role performance equity	Task performance equity	Need	Equalit y	Status
Gender (0 = male, 1 = female)	-0.05*	-0.01	-0.01	0.01	-0.03
Age	-0.05*	-0.04	-0.04	-0.04*	-0.05**
Long-term orientation	0.04	0.06*	0.06*	0.06**	0.04*
Education (compared to 'no education')					
High-school degree	-0.34**	-0.17	-0.12*	-0.15*	-0.21*
Bachelor's degree	-0.35**	-0.17	-0.17*	-0.28*	-0.26**
Master's degree	-0.30**	-0.12	-0.15*	-0.22*	-0.21**
PhD degree	-0.11**	-0.03	-0.07*	-0.11*	-0.08**
Industry (compared to 'Engineering')					
Production	-0.03	-0.04*	0.01	0.00	0.01
Finance/Banking	-0.02	-0.01	-0.01	-0.01	-0.01
Human resource management	0.00	-0.01	-0.03	0.02	0.00
Marketing	0.05**	-0.02	-0.01	0.02	0.00
Planning	-0.04	-0.02	-0.00	-0.00	-0.01
Research and development	-0.01	-0.01	-0.02	-0.03	-0.02

Masculinity and high collectivism) seem to prefer need as a criterion for reward allocations. These employees find it important that managers take an employee's personal situation and difficulties into account, when they distribute outcomes (Berman et al., 1985). Although the results supported many hypotheses, we also reported a few unexpecting findings. Specifically, we found a positive effect of masculinity on preferring a need rule and a non-significant effect of masculinity on using task performance for allocations. It might be that employees with a masculinity orientation feel responsible to take care of employees with difficulties. Masculinity orientation seems to reflect to some extent the concept of paternalistic leadership, which is about taking care and protecting employees who experience personal difficulties. This would explain a preference for the need allocation rule.

Practical implications

Supervisors could be also allowed to switch between different allocations rules depending on the specific work- place. Initial research on allocation rules has shown that equity is the most common rule for economic exchange relationships in organizations whereas equality and need are often applied in close relationships. Depending on the organizational goals, equality and need can play an important role in the organizational context (Colquitt, et al., 2013). For example, if organizations try to increase the harmony and the quality of interpersonal relationships to achieve their goals, the application of an equality rule might be helpful. A hybrid pay system could be another effective option. For example, 50% of an employee's pay could be allocated using the equity rule, while the other 50% could be allocated using the equality rule. Another hybrid system might be possible, based on task performance in combination with other criteria like status or need, depending on Limitations and avenues for future research Future research could analyses the impact of additional cultural value dimensions on allocation rules, followed by a comparison of their results with ours. This research can be complemented by other conceptualizations of culture this reflects our primary research question: Why do individuals with different cultural backgrounds prefer different allocation rules Future research can also try to identify

mechanisms and moderators to analyses if a specific context influences employees' preferences for allocation rules. Future research could also examine outcomes such as pay satisfaction and integration research on social comparison manager discretion.

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Conflicts of Interest:

This manuscript has not been published or presented elsewhere, in part or entirety, and is not under consideration by another journal. There are no conflicts of interest to declare. On behalf of all authors, the corresponding author states that there are no conflicts of interest.

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