

**MOTIVATION IN A CHANGE SITUATION FROM AN EMPLOYEE  
PERSPECTIVE**



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Erika Rautiainen

International Business  
Valkeakoski

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<b>Author</b>	Erika Rautiainen	<b>Year</b> 2017
<b>Title</b>	Motivation in a change situation from an employee perspective	
<b>Supervisor</b>	Annaleena Kolehmainen	

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### TIIVISTELMÄ

Opinnäytetyön aiheena oli tutkia, miten muutokset organisaatiossa vaikuttavat työntekijöiden motivaatioon. Tavoitteena oli myös selvittää, miten muutostilanteessa työntekijöiden motivaatiota voitaisiin parantaa.

Muutos- ja motivaatiojohtamisen teorioiden pohjalta koottiin teoriaosa, jossa käsiteltiin erikseen muutosta sekä motivaatiota. Erityisesti motivaatiosta tarkasteltiin useita eri teorioita, sillä kirjallisuus sisältää laajasti eri näkemyksiä motivaatiosta. Tutkimusosio toteutettiin laadullisena haastatteluna ja vastaajina oli kymmenen henkilöä, kaikki eri yrityksistä. Haastateltavina ei ollut johtoasemassa työskenteleviä, sillä tutkimus haluttiin rajata työntekijöiden näkökulmaan.

Haastatteluissa ilmeni hyvin motivaation moninainen luonne ja vastaukset olivat kattavia. Kaikki työntekijät olivat kokeneet useita muutoksia työuransa aikana ja he kaikki tunnistivat selkeästi eri tekijöiden vaikutukset työskentelymotivaatioon.

Tärkeimmiksi motivointitekijöiksi haastatteluissa osoittautuivat työilmapiiri, tiedotus, koulutus, tavoitteenasettelu sekä työntekijöiden osallistaminen. Työntekijät kokivat motivaation hyväksi muutosten keskellä, mikäli ilmapiiri työyhteisössä on hyvä ja työntekijöille tarjotaan riittävästi tietoa sekä koulutusta muutosten aikana. Myös tavoitteiden asettelu nousi selkeäksi motivaatiotekijäksi muutosten aikana kuten myös työntekijöiden osallistaminen muutosten suunnitteluun ja mahdolliseen päätöksentekoon.

**Avainsanat** Muutosjohtaminen, Motivaatiojohtaminen, Motivaatio

**Sivut** 48 sivua, joista liitteitä 1 sivu

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#### ABSTRACT

The subject of this thesis was to study employee motivation in a change situation. The main objective was to figure out how changes effect employee motivation and how motivation can be developed during the change process.

Change management and motivational management provided a basis for the thesis. As there is wide amount of motivation theories, the author chose many different theories for the motivation part of the thesis. The research method of the thesis was qualitative and the author interviewed ten employees from different companies. There were no managers in the interviews as the study was from a employee perspective.

The interviews brought in the complex nature of motivation and all the answers were valuable and comprehensive. Every respondent had gone through several changes during their working career and every respondent was easily able to describe the sources that effected motivation.

The most important sources of motivation according to the interviews and theory were: atmosphere, including co-workers and superior, information, education, goals and participation/commitment. Employees had high motivation during the change processes, when the working atmosphere was good and information and education were provided to employees. Goal setting was also a key factor during the change, as well as the participation and commitment of employees.

**Keywords** Change management, Motivation management, Motivation

**Pages** 48 pages including 1 page appendix

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# 1 INTRODUCTION

## 1.1 Background information

Change is constantly present in today's changing world and everyone is affected in every home, every industry, business and governmental organization. All the countries in the world are also in the middle of change all the time. Changes are most likely to increase in near future, mainly because of digitalization, automation and globalization. Because the future cannot be predicted, the only thing sure in the twenty-first century is change.

Organizations face change because of many different reasons and they need to go through the process of change in order to be competitive. Not only do products improve all the time, but also the organizational personnel need to improve their actions to ensure an organization's success. Employees are the force behind every change. It is also said that "change is the vehicle to everything better" (Anderson 2010, 18.) and the core of evolution, growth, expansion, improvement and innovation.

Change is normally inevitable and unpredictable. Its complex nature makes change often mysterious, and among employees resisted. Resistance is a typical reaction towards transformation, because change is normally associated with reductions, terminations or downsizing. Change may create employee problems and stress, but not all resist or resent change. Many people who are affected by change also accept and even welcome it. It is a common mistake to assume that everyone resists change or that change is only a negative issue.

People often see change either as a threat or as an opportunity. Changes may increase employee working motivation or in the worst-case cause lack of motivation. This thesis studies employee reactions towards the change process to figure out how changes effect employee motivation. Another aspect of the thesis is how employee motivation can be developed in times of changes.

## 1.2 Research Question

The main research question of the thesis is: how can employee motivation be developed during the change process. In addition to the main question, there is a sub-question explaining: how can changes in an organization affect employee motivation. Both these questions play a critical role in this study, in order to come up with conclusions and recommendations.

### 1.3 Objectives

The objectives of this thesis can be described as following:

1. The first research objective of the thesis is to get familiar with the theory of change management and motivation management. The aim is to gather information, especially about organizational change theories and motivation theories. Motivation is looked at closely, as there are many different motivational theories to research.
2. The second objective is to plan interviews with employees to figure out the current situation of change and motivation in their cases. The goal is to figure out how changes in an organization effect the motivation of employees and how employee motivation can be developed during changes. By researching the topic with interviews, valuable information of the topic and companies can be found. Employers do not take part to face-to-face interviews, because motivation is researched from the employee perspective.
3. The third goal of the thesis is to analyze the results of interviews and compare them with theory. The aim is to write down all the findings clearly and to figure out the similarities in interviews.
4. The last and ultimate objective of the thesis is to give recommendations on how to develop employee motivation during a change situation. Information and recommendations are based on the interviews and combined with theory. The goal is to figure out how changes in an organization effects the overall motivation and to provide clear examples from the employee point of view on how motivation during change can be developed. Examples are mainly for employers who would like to lead change better by understanding the aspect of employee motivation. Recommendations may be valuable for the employees, when they want to understand their own change actions better.

These four main objectives give the structure and the direction for the thesis.

### 1.4 Research Methodology

The aim of this thesis is to find out from an employee perspective how the change process effects motivation. Another objective is to find out how motivation can be maintained, developed and improved during

change processes. In order to achieve the research objectives of the thesis, the author used qualitative methods of data gathering. Interview is a way to gather qualitative information. Interview can be used as a main method of gathering data or supplementary one, but author used interviews as the main method to gather data. Interviewing is suitable, when data is personal and information requires opinions, beliefs, past experiences or values. (Krishnaswami & Satyaprasad 2010, 100.) Interview is the best suitable way to gather information in this case, as employees experience the change and motivation in different ways. Answers are based on their own opinions, beliefs and experiences of changes they have gone through during their careers.

Motivation as a topic is really sensitive and personal, so eight out of ten employees who took part to the interviews wanted to stay anonymous. Also the companies where respondents were working at that time are not listed in this thesis to respect the anonymity of respondents. More honest answers were likely to appear, when names and companies remain unknown. Interviews were held with ten employees from different companies. Interviews were between 21<sup>st</sup> of October and 2<sup>nd</sup> of November, either face-to-face, via phone or done by email. Author wanted to make it the most comfortable and suitable for the respondent without bothering their timetables and work too much. Six of the interviews were done in face-to-face contact, one through phone call and three with email. Each and every interview included same questions and if needed, author was able to ask additional questions in every interview.

Questions were planned beforehand to gather specific information of change and employee motivation. Questions were based on the change management and motivation theories. All the interview styles allowed author to ask additional questions, but all in all respondents gave comprehensive answers to main questions. No significant additional questions were needed. All the answers were extensive and thorough and provided a lot of valid information for author. Interviews opened up facts, experiences and beliefs about an employee's motivation during a change situation, no matter if they were done face-to-face or in the other ways. Questions author used were open-ended and exactly the same in all of the interviews. There were fourteen questions all in all and author got comprehensive and valuable information from every respondent. All of the answers were valid and important in order to achieve research goals and to answer the research questions. See the interview questions from appendix 1.

Out of ten respondents, six were female and four were male. Youngest respondent was 24-years-old female, as the oldest one was 56-years-old male. The average age of respondents was 38,7 and they have working experience between 3 to 29 years. All of them were employed at that time and have had two or more different employers during their working career. Author wanted to choose respondents who had

experience of working in more than just one company, to make sure that respondents had gone through at least some changes during their working careers.

It is natural to assume that the older the respondent the more he or she has experiences about change. Author did not want to define any minimum age to the respondents, but rather have opinions from all the different ages. That is the reason why respondent age range varied from 24 to 56. Author did not choose employees who are already retired, though they normally have long career and a lot of experience. Author valued fresh and current experiences of change, because employees are likely to describe changes more detailed, when not too much time has passed by from the change.

Company-variety was wide in the survey, because aim was to gain as different kind of experiences of change as possible. Author chose for example banking industry as one representative, because in Finland it has gone through major changes lately. Social services and health care sector is also one in the middle of transformation all the time, so that is the reason why one representative was from that sector. Other industries were for example mining, jurisprudence and furniture business to get wide amount of information. One respondent was working also at Finnish Start-up Company. Companies varied from micro to medium sized companies and half of the companies respondents were working at that time were international companies. Author interviewed only Finnish people, but even more comprehensive and interesting results would have come along with wide variety of nationalities.

The secondary data and theoretical knowledge of the thesis was gathered from change management books, motivation management books, and online publications and from articles related to the topic. One website source was also used. Theoretical framework of the thesis consisted many different aspects of change and motivation theories. Theory was gathered from change management and motivation management books mainly. Secondary data was a basis for the thesis and it was combined with interviews to give the best recommendations in the end of the thesis. The theory was analyzed from employee point of view and recommendations were given to develop the employee motivation during the changes. Recommendations were mainly for the employers who want to lead change better and understand the aspects of motivation. Also employees may benefit from the research findings in order to understand their own change actions and motivational sources better.

## 2 CHANGE MANAGEMENT

The theory part of the thesis is divided into two different sections to make it clearer. First is the change management theory and in the chapter number three the theory of motivation.

“Change management is managing the process of implementing major changes in information technology, business processes, organizational structures and job assignments to reduce the risks and costs of change and optimize its benefits.” (Murthy 2007, 22.) The aim of the change management is to explain why change happens, how it happens and what is needed to make change overall more positive concept. Change can happen at individual, team and organizational level and change management is to explain all of these aspects. Key dimensions of change management are: technology, process and people. (Murthy 2007, 22.)

The major focus of organizational change management is in people, because it is people who cause the success or failure of change. People aspect of change management includes activities like developing ways to measure, motivate and reward performances of people. Change management contains individual, team, organizational as well as the leadership change. (Murthy 2007, 23-24.)

### 2.1 Change

As already mentioned in the abstract, change is present everywhere. Organizations cannot avoid the change if the goal is to be successful. In the literature, change is often described as controlled and rational, but in practice organizational change is often chaotic and unpredictable. During the change process goals are shifting, activities are discontinuous and even surprising events may occur on the way. Change may also have unexpected outcomes and combinations, which makes it complex as a whole. (Mathur 2013, 35.)

There are mainly two different reasons why people and organizations change. The first one is any kind of crisis that pushes the change to start. The second reasons is an opportunity that pulls towards the change. Too often organizations wait on crisis, before they start transformation and people act exactly the same way. When people or organizations decide to change there is always emotional readiness behind the motivation, and it makes the change process gentler. Still transformations are difficult, because even if people are emotionally ready to change, they may not understand the change or the forces behind the change completely. (Pennington 2013, 77-78.)

What makes change even more complex nowadays is the fact that an organizational change is no longer only about changing the structure, but

often changing the whole organizational culture too. Change affects always on the organizational culture, but vice versa, culture has also an effect on the organizational change. As culture is often deep rooted in organizations, change activities are not easy to implement. Especially, rapid changes face resistance, when culture and organizational ethos are deeply rooted. Then again, when organizational culture fosters fun and pride, it is more likely to accept an era of unrelenting change. (Mullins & Christy 2010, 747.)

“It is important to recognize that change is a natural part of life, and that change produces progress.” (Sims 2002, 329.) Change can have many different features. It can either be an opportunity and challenge that brings out positive emotions, or then change can be a threatening event, with negativity, anger, fear and resentment. In any case, change always poses challenges and causes emotional reactions. Mathur points out that among workers emotional reactions, like stress, withdrawal or lack of commitment, are natural reactions towards transformations. (Mathur 2013, 40.)

People are the key factors in implementing a successful change. When staff, managerial colleagues and unions are willing to co-operate effectively, change is easier to implement. Attitudes, perceptions and behavior of people need to be transformed in order to change as an organization. Behavior change is always a personal issue, because groups, teams and companies do not change without individuals. Individuals do the change. Companies change only, if people inside the company make a behavior change. In times of change organizations need to pay more attention to employees rather than operational outcomes. If people inside the company are also allowed to feel negatively about the change, it will more likely be successful. (Mullin & Christy 2010, 762.)

Because change happens both in a social life and in an organizational life, we are all influenced by change all the time. Changes cannot be studied separately, because they all are linked somehow to each other, like individual, group, organizational, national and international levels of change. A successful organization is adaptable and responsive to change. Major forces that make the organization move may include: increased demands for quality, need of a higher level of customer service, or greater structure of work organizations and patterns of management. Other forces may include the changing nature of workforce or any conflict within the organization. Companies must be willing to change in these kinds of situations in order to perform on a higher level in the future. (Mullins & Christy 2010, 751.)

According to Anderson (2010, 24.), transformation towards the breakthrough results requires content, people and process. With these three elements, change can be successful. Content is about what is needed for change process, like strategy, structure, systems, processes,

technology, products, services and work practices. Process then again refers to how the change will be implemented, planned and designed. The last and the most critical element of change process is people. The element of 'people' includes critical focus areas: peoples' mind-sets, commitment, motivation, emotional reactions, behaviour, engagement, relationships and politics. People refer to "soft" and less tangible human dynamics of change, while content includes tangible aspects. (Anderson 2010, 24.)

Forces driving the changes can be divided into four main categories. The first factor is outsourcing and the continuous redefinition or organizations core business. The second force is the distribution of work. Distribution includes splitting work across different people, organizations or locations. This makes work fragmented. The third force pushing the change is variable demographics and changing expectations that create employees' market rather than employers' market. The last force is the double-edged sword of technology, which enables people to do more, but tempts organizations to do too much. (Mullins & Christy 2010, 752.)

Committed employees are the key factor behind a successful and effective change. A clear example of a car and a driver will explain this better. No matter how expensive and tuned-up the car is there is no chance that car would drive itself. Car needs its driver, as well as the organizational change need the employees. In both cases, driving a fancy car or implementing a successful change, there is always a need for committed people to unleash the potential of action. Organizational change needs its employees to "to get going", just like the car needs its driver. (Anderson, Ackerman-Anderson, Ackerman Anderson 2010, 26.)

People are always more likely to commit the change when they have a clear understanding what is the driver behind the change. Change drivers create the impetus for change and thereby increase the motivation. Both drivers, internal (culture, behavior, mind-set) and external (environment, marketplace, business, organization) are needed in the scope of change. The drivers of change are called the factors, which are pushing the change forward. When organization is going through significant transformation, people need to transform their mind-sets to reach a successful outcome. Mind-set is the force that makes people act and behave the way they do. When employees are allowed to identify the drivers of change themselves, they became instantly more committed towards the transformational process. Commitment increases through the fact that employees are logically thinking for example what is causing the change and why is change necessary. By letting staff identify change drivers, the whole transformational process becomes more effective and accepted. Top-down communication and not allowing employees participate the change process enough triggers only resistance. (Anderson et al. 2010, 31-33., 41.)

To be able to fully understand human dynamics and reactions during change process, it is necessary to understand two human core functions: ego (also called mind) and our higher self (also known as soul). The better the understanding of human dynamics and these two functions is; the more potential can be unleashed in times of change. Ego is human minds fundamental function and it can be defined with explanations such "sense of individual self, sense of 'I', personal identity". Ego simply tells, what one is and what one is not. For example, "I am a Finn, I am a vegetarian and I am a professional". In order to become productive and to use ones full potential ego must be managed well. (Anderson et al. 2010, 135.)

The basic function of ego is to protect people from failures at all costs. Fear is the feeling people recognize when ego is trying to avoid failures. Ego uses fear in three primary ways: driving towards success with dedication and concentration. The second way is to protect humans from situations where failure may take place. The last way of using fear is to hold back performance and effort. Holding back means that if failure is about to occur, there is always a ready explanation such as: "I did not try hard enough, that is the reason why I failed". All people have an idea that they are based on their egos, but when people pay attention to the real ego and egos stories, it is easy to spot the real identity behind the ego. Identity can be changed when understood. Egos identity is not the real identity, because it can be affected. (Anderson et al. 2010, 136.)

Ego has a powerful impact on human actions, because it always judges the situation first and then the body follows the lead with actions and emotions. Basically, if the ego judges situation bad, then thoughts, feelings and actions reflect that judgment. In real life this can be easily seen in a meeting for instance. Employee has a great idea at the meeting that he or she says out loud. Immediately someone challenges the idea and says objection. Employee, with the idea, becomes defensive right away, because it is the egos identity that has been attacked. This kind of reaction happens on autopilot, automatically and unconsciously, but the more humans pay attention to the egos reaction, the faster people can react beforehand. (Anderson et al. 2010, 137-138.)

Together with ego, being is another core function all humans have inside and being can also be called as a soul. Soul is the internal witness observing the ego and mind. Being is the self beyond egos wants, desires and attachments. Being is aware all the time without any judgments, unlike the ego that judges. Being is above egos perspectives and it opens doors for new, when ego retreats. One of the greatest functions of being is that it has always trust on human actions, even in the middle of the stress and breakdown. Intuition springs from the being too and it allows people to use their full potential in any kind of situation. Being is often ignored by ego, because being threatens egos existence. Unlike the ego, being does not react positively or negatively, but only creates simply

awareness for humans. Being is the one helping to achieve breakthrough result by opening new doors and encouraging people to go towards challenges. When people then again operate on autopilot, they are controlled by their egos and decisions are normally made by what are the least risky and the most comfortable ways of doing. When people are more in touch with their beings, they can fully use their potential even during the most difficult times and changes. (Anderson et al. 2010, 139-140.)

Reality is never objective, because human mind-set determines ones experiences together with ego and creates the internal reality of individual. On the other hand, mind-set also has an influence on how external reality is perceived. Good example of the power of mind-set is an old belief that the world is flat. Flat world was reality to humans, but still it did not change that empirical evidence that world is actually round as a ball. Same way at the workplace, employees may be resistant, but the employer just sees their reaction as resistance. It is almost impossible to determine the objective reality, if the employee is really resisting or is the resistance just employers interpretation. It is said that mind-set is "the most powerful level in all human systems, from individuals to societies". (Anderson et al 2010, 166-168.) To be able to better deal with external situations, like change, people need to learn to engage their conscious awareness. When people can manage their own mind-sets, it is easier to see things clearly and to operate from higher level of thinking and being. Actions start to make change, when mind-sets are shifting. When employees are able to transform their internal mind-set, the external events and changes are going to look totally different. "When we take responsibility for self-generated constructs of our own limiting mind-sets and transform them, we acquire the potential to relate to the external situation in ways that enable the situation to change." (Anderson et al. 2010, 177-178.)

It is easy to see when someone pursues self-mastery, because they will become more compassionate, supportive and cooperative. Ego does not need to fight for the core needs to be met and people can focus more on external things. When people become more flexible in their actions and more open to feedback and learning it is said that the unconscious way of being transforms more to "co-creative". Learning and developing become interests and people are passionate about improving when they are working "co-creative" way. When as many people as possible develop this way of being, breakthrough results are potential during changes. (Anderson et al. 2010, 178-180.)

## 2.2 Kotter's 8-step Change Model

Change does not happen easily or quickly and multistep processes are often needed in order to implement a successful change. John P. Kotter demonstrated change process with the eight-stage process of creating

major change model. This model points out the simple steps of a normal change process. The first four steps focus mainly on rebuilding the old habits and the last four steps introduce new possible ways for practices. (Kotter 1996, 20.)

The first step of Kotter's change model is establishing a sense of urgency. This step includes the study of market and competitive realities as well as identifying opportunities and crises'. The second step is creating the guiding goal for the company. In action it means that company puts together a group that is going to lead the change as a team. The third stage is developing vision and strategy and the fourth step is to communicate the change vision and to have coalition role model to guide expected behavior. The fifth step is called empowering broad-based action. It means that company gets rid of obstacles and change systems that undermine change vision, and encourages risk taking. Generating short-term wins is the step number six and it includes creating and planning visible improvements in performance. During the seventh step, company changes systems that do not fit with transformation and hires and develops people to implement the change. New projects, themes and change agents are also part of the seventh step. The last step is anchoring new approaches in the organizational culture by creating better performance, better leadership and more effective management. The eight step includes visualizing the connections between new behaviors and organizational success. (Kotter 1996, 21-22.)

### 2.3 Types of change

Change types can be divided into three main categories based on the nature of the change. These categories are called: developmental change, transitional change and transformational change. Developmental change is the first of the three different change types and it is the simplest kind of change. Developmental change is an improvement of a skill, method, performance or a condition that already exists. It is said that developmental changes are improvements "inside the box". Even developmental change is rather simple, it is still challenging. The risk is only smaller than in other types of changes, because developmental changes are normally improvements of current operations. Normally, employees are motivated enough for developmental change, when just goals are stretch. Employees also need to know why their performance levels need to be raised. Assumption in developmental change is that people are capable of improving their actions and that they will enhance, if provided training, resources and motivation. Training is one of the most common developmental change methods, because it is a natural way to improve personnel skills. Existing goal setting and reward system both play in a key role of better motivation behavior during developmental changes. (Anderson et al. 2001, 34-35.)

Transitional change is the second type of change and it is more complex than developmental change. Transitional change does not only improve existing actions, but replaces them with something entirely different. When leaders realize that a problem exists or some operations are in a need of recreation, transitional change begins. Transitional phase is needed to move from old ways of operating to the new state. Reorganizations, mergers and divestitures are examples of transitional changes. Transitional change is typically perceived as a project, that has specific timeline and limited budget. Difference between transitional change and transformational change (which is the third type of change), is the degree of focus required from people. In transformational change, cultural and human issues are more dominant than in transitional change. Transitional change does not require that many personal changes as transformational change. During transitional changes, human dynamics are easier to manage, because there is no need for that deep personal change. People will react to transitional change only, if they are left feeling uncertain about the upcoming change, they do not understand the benefits of change or they do not have enough skills to carry out the change process. Another negative reaction may appear if change is poorly planned or there is not enough support in implementation phase. People's emotional pain or fear about not being successful may occur, if the transitional change is not managed properly. (Anderson et al. 2001, 35-37.)

Transformational change is the last change type and it is the most complex out of these three change types. Transformational change is often the least understood type of change, because of its complex and steep nature. Transformational change is radical, because it requires culture, behavior and mind-set to shift in order to change the organization. If organization has to change before its destination can be fully defined, then change is called transformational. Also, if significant behavior, mind-set and cultural shifts are needed in order to succeed, change is also transformational. The complex characters of transformational change can be easily seen when compared to other two change types. As already described, developmental change is improving current operations and transitional change, then again, replaces current actions with total new but still clear practices. Transformational change requires more significant changes in the environment and marketplace and people's mind-sets have to go through profound shifts. Transformational change is also more complex in leaders point of view, because it is almost impossible to predict the change process beforehand. Developmental and transitional changes are easier to manage and control compared to transformational change. (Anderson et al. 2001, 39-40.)

## 2.4 Resistance

Organizational change is often associated with dissatisfaction or other negative outcomes and that is the reason why change often causes resistance in the first place among workers. Mathur (2013, 39.) propounds that the whole word “resistance” should be taken off of the literature of change management, because it does not subscribe the complex nature of change process and its effects at all. Often change produces rather confusion at workplace than resistance. Organizational change is also too often associated with dissatisfaction and other negative outcomes. If employees focus only on negative aspects of change, they will have less energy to use on participating and contributing the transformation. No matter, if the transformation is major restructure or minor re-organization, employees will anyway have large scale of emotions towards the change process. Resistance is the most common reaction (Mathur 2013, 39.) and the reason behind resistance is often a fear of lack of power or fear of losing a control. (Mullins & Christy 2010, 762.)

While change is necessary to the organizational success, normally employees have a natural need for continuity. No one wants they pay checks to be touched and also customers predict continuity in companies’ daily actions. When conditions seldom remain static, change should always be anticipated. Serious organizational difficulties can be avoided, if the change process is reported and handled before the crisis-state is reached. The way employees see the upcoming change has an effect on how they react to it. Employee reactions toward the change can be divided into four basic responses. The first way to react the change is resistance, and employees will resist if they see that change is not compatible with their needs. Simply, employees think that the change is only going to make everything worse. This is the worst-case scenario for the company and employer point of view. Another, and little more approving reaction towards the change is resisting/neutral. If employees are not sure how the change is going to affect them, in the best case, they are going to act neutral. In the worst case, they still resist, because normal supposition is that unknown will only make things worse. The third way to act under the transitions is that people at first resist and then accept the change. This happens when employees realize that change will occur no matter what. The only time when people will be motivated towards new and changing situations is when they feel like the change is in their best interests. This last fourth way of reacting is the most suitable for the organization but also the most difficult one to achieve. The aim of company is always to make employees feel confident and motivated about the change and normally it is manager’s duty to promote accepting attitudes. Managers job is not always easy, because three out of four ways to react towards change are negative or at maximum neutral. (Sims 2002, 337.)

There are multiple reasons why others resist change while again other people welcome the change. Reactions may differ while facing even the same change. Main reason to react negatively towards the change is the fear of personal loss. Employees may be afraid of losing their security, pride, freedom, responsibility, authority, working conditions, status or money. People can also be afraid that they will be transformed to another location to do their job and at the same time they would lose important contacts, co-workers and friends. Fear of losing ones job is quite common fear nowadays, especially, if automation can be used instead of humans. Another common reason to resist change is simply the feeling that there is no need for changes in organization. Employees are normally comfortable with the current situation and may not see the good in transformations. Commonly people at the “bottom” of the organization are afraid that management makes decisions without knowing what is really happening “down on the line”. There may occur a strong resistance, whenever there is a lack of trust towards the decision-making person or persons. This person is the one responsible for making the change decisions. Every time employees resist change, they will not see change objectively. In some cases, no matter what the change would be, people with negative attitudes will resent it. Working morale plays in such and important role of accepting change and development. The better the working moral, the more open the attitude towards new will be. (Kirkpatrick 2001, 20-22.)

Most likely changes are going to require more effort and time than “the old” and “normal” situation. Reason why resisting happens is that people would like to get some extra rewards from making more effort than normally. This is one of the reasons why timing is one really important factor in implementing change. If employees are already having many problems at work, the change effort will most likely be rejected. For example subordinates resent schedule change that manager ordered, if there is already previous schedule change going on. In some cases, simply the desire to test ones power is enough to refuse new. Resisting together as a team is one way to protest and sometimes peer pressure is forced, because natural leaders take the lead among employees’. Often, it is really difficult to define the real reason behind the resenting and it makes change even more complex. (Kirkpatrick 2001, 23.) When leaders have better understanding of human dynamics, change efforts can be achieved. When people change their negative perspectives and have confident feelings towards the transformations, greater outcomes can be achieved. (Anderson 2010, 19-21.)

Expressions to resistance types can be divided into four main forms: implicit, immediate, overt and deferred. Resistance may be either passive resignation or overt deliberate sabotage. Immediate and deferred resistance may occur too. Immediate resistance occurs right after the change announcement or change rumor. Implicit resistance is a subtle way to react to the change and it appears as a loss of loyalty to the

organization and loss of motivation to work. Increased mistakes and errors, absenteeism's and "sicknesses" are also due to implicit resistance. Implicit resistance is a bit hard to recognize compared to deferred resistance. (Sims 2002, 338-339.) Deferred resistance is more continuing and it can be played over time. Problem in deferred resistance is that resisting surface may last from weeks to even years, and only minimal reaction takes place during the actual change. Overt resistance reactions may include letters, complaints or threatening to strike. Implicit and deferred resistance forms are more challenging for managers than overt immediate. Resistance is not the only reaction that change brings out. Also inevitable reactions like: disengagement, disenchantment and disorientation are common. (Taylor, Doherty & McGraw 2015, 201.)

Factors to welcome and accept change are nearly equal to reasons to resent it. When changes occur, people may feel more secure in their jobs, because they may get salary increase, promotion or a new title. People welcome the change for example in order to get better working conditions, benefits or more responsibilities. Some employees get a feeling of satisfaction or feeling of achievement because of transformations. People, who see change as a new positive challenge, feel that they may have a chance to get into a contact with new interesting people. They are also more likely to experience that the change is going to make their job easier or more efficient. Often employees who are asked to do things differently react positively, while again when being told to do something, employees react on the opposite way and resist. Powerful way to get acceptance for changes is to discuss about the needed input before the final decision. This is the way employees' are going to have a feeling of power and they are more likely to commit to the change process. (Kirkpatrick 2001, 26.)

## 2.5 Six core human needs

Six core human needs explain the reasons behind human actions and six core needs are important in order to understand change impacts. All people have six core human needs, some of them more dominant than others. Core needs control most of behavior and determine actions for example in times of change. Six core needs are following: security, inclusion and connection, order and control, competence and last one is justice and fairness. Core needs are egos ways to control that everything is okay. During change, ego reacts based on the core needs, whether the core needs are met or not met. For instance, during transformational change, core needs are triggered, because change is chaotic. Egos normal way to respond to this complex situation is resistance. Resistance is nine times out of ten unconscious and springing from the egos threatened core needs. Fear of losing power or control, fear of bad results and fear of not being safe are all egos ways to try avoiding changes. People act like they do, without even realizing that their ego is the driver behind anti-change actions. If employees would realize the impact of their ego, they

would not blame external situations during change, but more their own internal limitations. But when people operate autopilot, they do not recognize that it is actually their ego causing the internal resistance. Positive aspects of change are hard to see when ego is dominant and not understood. (Anderson 2010, 140-143.)

Six core human needs may create either positive or negative reactions, depending on situation and the person. If people are conscious, realize the existence of their ego and are familiar with the definition of core needs, they are able to respond to the change on a neutral way. When change leaders study six core needs of humans and manage by attending core needs, changes are easier to implement. Great example is involving employees to the decision making process. Employees' egos react positively, when they are given a chance to give their input to decisions. For instance, people with high ego need are often afraid of failing and that is the reason why they resist changes on the first place. They feel more positive about changes, when they know about the upcoming changes on the early phase and get a proper training, for example. Briefly, people resist if they have to be afraid that their core needs are not going to be met. Core needs differ among employees and for instance HR department is likely to have bigger fairness needs than sales group. Finance team then again is likely to have high control needs. Organization itself may have common dominant core needs, like banking institutions are likely to have high needs of power and high needs of control. This is the reason why banks need normally a really clear and structured plan for the processes, because people working there, have high need of control. It is normal that for instance big software implementation triggers power and control needs at workplace. Greater commitment during the change can be achieved, when superiors as well as workers are aware of ego needs. Cultures' core needs differ from one and other too. (Anderson 2010, 143-146.)

### 3 MOTIVATION

Motivation is another main theory part of the thesis and this chapter is going to explain the basis of motivation and basics of motivation sources. There are many motivation theories and as the nature of the motivation is complex and all the people experience the motivation in multiple different ways, the author chose wide amount of different theories into this part.

Stephen P. Robbins points out that motivation is “the willingness to exert high levels of effort toward organizational goals, conditioned by the effort’s ability to satisfy some individual need.” (Robbins 1989, 147.) It is considered that human resource is the most important of all the factors when organization is striving to achieve goals. (Zolghadr & Asgari 2016, 682.) That is the main reason why during transformation humans and their motivation to perform the change need to be taken into closer look.

Motivation is originally a Latin word to describe movement, *movere*. The term motivation was first defined as “to stimulate toward action” and it is a force that makes us move every day. Motivation is said to be the energy behind our performances and the force that keeps us moving towards our goals. Motivation is the power that is driving towards the goals, so that the individual needs and values will be satisfied. Satisfaction and wellbeing are the sources of motivation at workplace and motivated workforce then again is engaged and satisfied. Motivation together with the ability and resources determines the level of employee performance. When all of three factors are on a high level, performance is reaching the maximum level. These three factors, motivation, ability and resources, have also inextricably connection. When motivation is high, individuals have a feeling that abilities are in fully use. Motivation is required to increase employee ability. The most successful performance is achieved, when motivation, ability and resources are all in a high level and combined with supportive work environment. (Mathe, Pavie & O’Keeffen 2014, 1-2., 177.)

There is a clear link between individual motivation and organization performance. Highly motivated individuals perform better and that way organizations performance level rises too. Even though there are no accurate tools to measure motivation and its affects on performance, organizations clearly show that motivating people is beneficial. More compensation is not enough to keep employees motivated and satisfied. Employees’ performance is the key factor to the success of any organization and motivated workforce leads company towards success. When working environment is positive and organization has a healthy culture, workforce is said to remain highly motivated. (Mathe et al. 2014, 175., 177.)

According to Maslow, motivators behind the motivation can be divided into two: intrinsic and extrinsic motivators. Visible and tangible motives, like benefits, promotions and pay, are extrinsic motives. These motives are clearly visible to other people and also distributed by others (normally an external agent). Extrinsic motivators are to inspire workers to stay in the organization and to achieve their goals. Still these extrinsic motivators do not explain all the effort employees' make at the work. Extrinsic motivation is driven by external rewards and the motivation rises from the outside. (Mathur 2013, 40.) The other types of motives are called intrinsic and they are internally generated. Intrinsic motivators are related to the task or job and they give person feelings of achievement and accomplishment. Intrinsic motivation includes actions employees do, because they are truly interested about the task and they get spontaneous satisfaction from it. Also feelings of responsibility, learning, challenging and engaging are associated with intrinsic motives. If person is having a meaningful job, most likely he or she is having intrinsic motivation to fulfill tasks. Motivation can include always both extrinsic and intrinsic elements. (Mathe et al. 2014, 8., 11.)

"Cultivating the positive motivation of the people in the organization has become an increasingly strategic factor leveraging business success", point out Mathe, Pavie and O'Keeffer. (2014, 188.) Work motivation is the force that makes employee perform in an optimal level. Work motivation is positively related with work performance, job satisfaction and organizational commitment. (Mathur 2013, 40.) When employees get feelings of enjoyment, self-expression or personal challenge at work, they will most likely be intrinsically motivated. When motivation then again is based on the activity, motivator is extrinsic. These two motivation types occur often together, so managers need to find innovative and varied ways to motivate personnel. Intrinsic and extrinsic motivational practices have a positive effect on employee motivation when combined. For example, when intrinsic motivation is on a high level, extrinsic rewards have positive effect on overall motivation. Recognitions from superior support intrinsic motivation of employee, and self-competence levels will grow. Positive feedback together with autonomy given to employee, promote also self-determination. This is the reason why relationship and communication between superior and supervisor are important factors in order to grow motivation. Interaction can mean two things for employee: either information or controlling. When feedback, rewards and deadlines are positive it will have favorable affection to employee self-esteem, competence and intrinsic motivation. Lack of feedback and communication then again will affect negatively to work motivation. (Mathe et al. 2014, 22-25.) When managers want to focus on keeping employees motivated, they need to focus on recruiting, retraining and retaining high-quality people. These functions are called three R's. All three R's involve motivation and when employers build their teams skills and their self-confidence, motivation is going to strengthen. (Sims 2002, 63-63.)

In order to build a motivated team, employers need to know what motivates their workers. Managers can discuss with employees about the motivation or just look at their behavior to figure out what motivates individuals. Corporate policy together with workplace situation affect on how the final mix of motivation strategy can be built up. Motivated people will work harder and spent more energy on being beneficial for the company. That is the reason why motivation has to be balanced and managed well. Otherwise, it may cause only extra stress for workers. A highly motivated personnel is energized to strive for organizational as well as personal success. (Mathe et al. 2014, 178.)

Incentive and recognition systems are in an important role of motivating employees. Acknowledging employee performance and rewarding achievements drives motivation towards excellent performances, but also towards commitment and loyalty. Incentives are one kind of motivational practice for employees to encourage actions towards organizational goals. People do not put the same effort to all of the tasks at work, but rather chose tasks to pay most attention to. Not all of the tasks have the same degree of motivation. The key to the motivation for each task is the person's abilities and confidence. Motivation is high, when people value the outcome of task. These ideas are from Expectancy Value theory by Vroom, Porter and Lawlor. (Mathe et al. 2014, 140-141.)

Goal setting is probably the most powerful source of motivation. Specific goals help to achieve outcomes and goals difficulty, goals acceptance and goal specify determine the level of performance and the level of motivation. Goal specificity is the level of preciseness and it has positive relation with performance. Specific goals are easy to measure and people can follow their progress with ease. Goal difficulty then again refers to the level of challenges and it has to be on a certain level to ensure and boost good performances and motivation. Greater challenges normally result in higher effort, but goals must be always realizable. Otherwise goals do not motivate, but instead lower the level of performance as well as the level of motivation. Acceptance is the last goal in improving personnel performance. Goals must always be accepted by employees themselves and not determined only by employers. When employees accept specific and difficult goals, they also work hard to achieve and reach their goals. Motivating goals are clear and specific, because employees perform usually better, when they are given clear objectives. Goals should always be measurable and verifiable, because that way people are able to see and measure their process. Challenging, but realistic goals with clear deadlines motivate employees. Also, when goals are set together with superior and subordinate, participatively, motivation and performance are more likely to stay on a high level. (Sims 2002, 73-74.)

Because transformations always take time, short-term goals are important part of the change process. Most people will not engage to the long-term goals or changes, if there are no smaller objectives to achieve and celebrate on the way. Short-term goals play evidence that change is going to work, one step at time. Too many employees resist the change or give up on an early phase if the time frame is too long and there are no small objectives. Successful change is all about involving people to achieve short-term goals and to reward them in order to fulfill bigger transformations. (Kotter, 1996, 11) Employers need to set clear goals for tasks to raise the significance of work. It is not only effective to set goals and sub-goals, but also it increases the motivation. Particularly in the case of difficult goals, setting smaller stepping-stones towards the main goal is going to reduce the risk of demoralization. Also intrinsic motivation rises, when clearly specified goals are set together with employee and employer. According to Teresa Amabile, emotions effect on motivation too. When the main goals are split in smaller goals, people can experience feelings of success when achieving 'small wins'. Informal feedback together with goals setting, are two most powerful ways to influence on employee performance. (Mathe et al. 2014, 149-155.)

Motivation is mysterious, because different people find motivation from different sources. (Mathur 2013, 45.) In order to build a motivated team, employers need to know what motivates their subordinates. Managers can discuss with employees about the motivation or look their behaviour to figure out the sources of motivation. Corporate policy together with workplace situation affects on how the final mix of motivational strategy can be built up. Motivated people work better and they spent more energy to be beneficial to the company. Highly motivated employees are energized to strive for organizational and personal success. If motivation is not managed and balanced well, it is only going to cause extra stress for workers. (Mathe et al. 2014, 178.) Because motivation is psychological, it is hard for employers to manage. Motivation is something you cannot see, it is either present or absent when employee is working. Motivation is complicated; because all employees are unique individuals, and so is their sources of motivation. Lasting motivation comes always from within and not from motivational speakers or economic rewards as one could assume. Extra money may motivate employee until certain point, but in a long run, motivation has to come from within. Self always maintains the motivation. (Sims 2002, 55.)

The source of motivation is not the same for all the employees, but one thing is common: when people are engaged with the organization, they are motivated to work their best. As companies do downsizing, de-layering, streamlining and outsourcing nowadays more than ever, employees may find hard to build commitment with company. For example downsizing is like a breaking the psychological contract between employee and the company, when "employers will still commit themselves to their employees, but employment can no longer be

guaranteed.” When job security is no longer the way to encourage commitment, companies need to find another ways to commit, like flexible working hours or lifestyle-friendly perks. While these initiatives do not guarantee job security, generic trainings is a one way to increase commitment as well as employee motivation. Generic training focuses on raising overall professionalism of employees. Engaged employees are loyal and motivated to work for the company and they will also ‘go the extra mile’ whenever needed. Engaged employees are emotionally committed and personally involved. Engaged workers understand the companys mission and share common values loyally. (Mullins & Christy 2010, 750-751.)

Motivators ensure the psychological growth of humans and include achievements, recognitions, responsibilities and advancements, just to mention few. These factors increase satisfaction to job content or to the work itself and job becomes the source of individual development. When job is enriching, employees have challenging and responsible tasks, then efficiency and job satisfaction levels improve. Employees are also happier and more productive, when organizations enable individual growth. If efficiency is the only goal for tasks, employees are much likely to be dissatisfied. Motivation is on a higher level, when the job itself is meaningful and task interesting and challenging. If supervisor provides opportunities for advancement and recognitions, motivation increases even more. (Mathe et al. 2014, 26-27.) Motivation comes from within and is not something that manager or organization can give for the employee like a piece of paper. To be motivated, is to know what one wants and to find best motivation methods for each personality. Motivating must always include constant actions. (Sims 2002, 76.)

Opportunities to develop (training, education, teaching) are clear and meaningful ways to tell employees that they are important parts of organization. Employees are motivated to do their best when they are given growth and promotion opportunities. When a job contributes to growth and development employees are likely to have better job satisfaction. When employees get training, have opportunities to be innovative and chances to take responsibility they have higher motivation to work. (Mathe et al. 2014, 136-137.) Motivation is normally the issue for young people in the beginning of their career, for people at mid-career position or for those who feel like they do not have enough opportunities for promotions. For employers, it is not always easy to find ways to motivate employees, because as already mentioned before, different motivators help different people. The content of motivation is complex. Luckily, there are several well known theories of motivation, which provide help understanding motivation, help on motivating staff and help to motivate oneself. (Mullins & Christy 2010, 259.)

One of the most classical examples of motivation is from 1955 and searched by Elton Mayo in his Hawthorne factory. Mayo studied how

improved lightning conditions affect to the productivity of factory workers. He found out that productivity rose higher no matter if lights were turned on or off. The key factor behind higher productivity level was the attention workers got from researchers. Attention itself was enough to improve motivation and productivity levels. This exact same example is still valid nowadays. Whenever employees get attention and respect, they are going to bring more value and motivation to the organization. (Mathe et al. 2014, 3.) Before Elton Mayo, there were already findings about motivation at work and one of the main theories is the next introduced Maslow's hierarchy of needs. Motivation theories are to explain the basics of human motivation and what actually motivates people. (Sims 2002, 57.)

Next there are some basic theories of motivation. As there are many theories explaining the motives of people, author wanted to pick examples of the most used ones to point out how many different aspects motivation has.

### 3.1 Maslow's hierarchy of needs

In words of Mathe, Pavie and O'Keeffen (2014, 188.) "Maslow developed a hierarchy of the needs that lie at the root of human behavior and drive motivation." Abraham Maslow's hierarchy of needs from 1943 is still one of the main theories to understand the concept of motivation at work. The base of the theory is that if organization wants the best people to work and to stay motivated, organization has to meet the needs of their employees. People will be healthy and well adjusted if their needs are met. There are five basic needs according to Maslow that need to be satisfied and these needs are:

1. Psychological needs
2. Safety needs
3. Belongingness (love) needs
4. Esteem needs and
5. Self-actualization needs.

These five form the hierarchy of needs, where psychological and safety needs place at the bottom. First these low-level needs must be satisfied, before higher hierarchy needs can be met. Whenever need is satisfied, it will no longer act as a source of motivation. When lower level need is satisfied, the next highest level need will work as a motivator and is dominant source of motivation. (Sims 2002, 57-58.)

Maslow divided needs again into higher-order needs and lower-order needs, where psychological and safety needs are lower-order needs, and belongingness (love), esteem and self-actualization were described as high-order needs. (Robbins 1989, 149.) Maslow's hierarchy of needs present that all the humans, and animals as well, are motivated to satisfy

their primary needs such as food, security, friendship, shelter and reproduction. When these so called survival needs are met, people become motivated to satisfy high-order needs. It is said that next level needs then dominate the motivation. Higher-order needs are more psychological and include for example need of growth, esteem and fulfillment. These needs are satisfied internally. Lower-order needs then again are satisfied externally by money, wages and tenure, just to mention few. The higher level the need is, the harder it is to satisfy. On the other hand, higher-motivation needs are more powerful motivators. The drive to satisfy needs keeps employees wanting progress and promotions. If certain company can not offer opportunities to proceed enough, individuals are likely to go find new job and satisfaction to their needs elsewhere. (Mathe et al. 2014, 8., 11.)

### 3.2 McClland's Achievement theory

Another theory of motivation is David McClland's Achievement theory and it is based on the Maslow's higher-order needs. Achievement theory is also known with the name Three Needs Theory. (Robbins 1989, 156.) McClland points out that people have three basic motivational needs:

1. Affiliation
2. Power and
3. Achievement.

The motive of affiliation is a strong desire to be approved, to have social acceptance and strong friendships. Second motive, power, can be satisfied when person has a strong control over actions. Power need is the desire to make others behave in new ways. The last motive of achievement is simply a need to win and to achieve goals. The motive of achievement includes working hard, establishing goals, seeking challenges and succeeding. All of these three motives are in a key role in motivating employees. Learning, training and education stimulate accomplishing the motives the best, according to McClland. (Sims 2002, 58-59.)

### 3.3 Herzberg's Motivation-Hygiene Theory

Third really classical theory of motivation is Herzberg's Motivation-Hygiene theory. Psychologist Frederick Herzberg studied motivation in 1959 and figured out that people have two kinds of needs: motivator needs and hygiene needs. When hygiene factors (physical working conditions, job security, quality of supervision) are satisfied, it does not generate motivation the same way as motivation factors do. In fact, satisfied hygiene needs does not increase work motivation. If employers want their employees' to be motivated and satisfied, motivation needs are the ones that need to be taken care of. (Sims 2002, 59-60.)

In this concept motivation factors include higher needs like recognition, responsibility, achievement and job content. Hygiene factors are external factors, while again motivation factors refer to intrinsic factors. People will try to satisfy their hygiene need first, but after satisfied, motivation will not stay high for long. The satisfaction and effect to motivation is only temporary. Intrinsic needs then again can act as a constant source of motivation, because those factors can never be absolutely satisfied. That is the reason why Herzberg points out that intrinsic factors are more powerful ways to motivate employees in long term. (Mathe et al. 2014, 18-21.) Herzberg's theory indicates that all the needs have to be satisfied in order to have full motivation. It is not enough that only lower-level physical conditions are met, but also psychological needs have to be satisfied. (Sims 2002, 59-60.)

One of the most interesting finding of Herzberg is that satisfaction and dissatisfaction are not each other's opposites, as one might think. Job is not necessary satisfying if characteristics of dissatisfaction are taken off. More realistic opposite of 'satisfaction' is 'no satisfaction' and opposite of 'dissatisfaction' is 'no dissatisfaction'. This is due to the fact that factors affecting job satisfaction are not same with factors that lead to dissatisfaction. Characteristics like company policy, supervision and working conditions, that are hygiene factors, are met, still they will not necessary lead to satisfaction, but neither will dissatisfaction. When hygiene factors are present, people will not be dissatisfied. (Robbins 1989, 152-153.)

### 3.4 Theory X and Theory Y

The fourth main theory of motivation is based on ideas of Douglas McGregor. He divided humans into two in his theory. Human being basically negative, are called 'Theory X' and human being basically positive labeled 'Theory Y'. McGregor pointed out that managers often see employees presenting either of these groups and then tend to mold employees' behaviour towards certain assumption. For Theory X, assumptions are normally that employees dislike work and responsibilities, are lazy and they must be forced to work. Theory X humans are assumed to avoid working and that is the reason why they should be supervised carefully. Theory Y is more positive towards the nature of human being and assumptions are normally following: Theory Y employees like to work and are creative, they seek for responsibilities and are able to self-direction. According to general assumptions. Theory Y people see work as a natural part of life. (Robbins 1989, 151.)

Theory X and Theory Y can be linked with motivation with help of Maslow's hierarchy of needs. Theory X assumes that individuals are dominated by low-order needs, while again humans of Theory Y are

dominated by higher-order needs. Theory X is not as valid as Theory Y and ideas as participation, challenging tasks and good relations at work maximize personnel working motivation. (Robbins 1989, 151.)

### 3.5 Techniques to increase motivation

There are several techniques for increasing employee motivation. These techniques boost employee morale and increase job satisfaction and motivation. Author wanted to pick up several techniques to increase employee motivation, to be better able to give recommendations and practical examples later.

Management by objectives (MBO) is one powerful way to motivate employees and it is a program that emphasizes specific goals that are measurable, tangible and verifiable. Goals are used instead of control to motivate people to do their job better. Feedback and goals progress are important parts of MBO. Ideal situation is that employee will get continuous feedback during process so that they can correct their actions. Reviewing process towards goal is a significant source of employee motivation. (Robbins 1989, 185.)

One of the greatest advantages of management by objectives is that it provides specific personal performance objectives. When each person focuses on their own goals and is able to achieve them, the whole units' objectives become reality. MBO objectives are not set by the manager, but rather determined participatively with superior and subordinate together. Measurement technique and time period are also determined. (Robbins 1989, 186-187.)

The second way to increase employee motivation is job enrichment. Job enrichment is "the vertical expansion of jobs", meaning that worker controls his or her job widely. Workers take care of planning, execution and evaluation of the own work. Freedom, independence and responsibility increase and employees learn to evaluate their own performance. Job enrichment is one response to dissatisfaction and lack of productivity at workplace. Job enrichment increases working motivation by giving by giving responsibilities for employees. (Robbins 1989, 207.)

Together with MBO and job enrichment, behavior modification is one way to raise working motivation. Behavior modification (OB Mod) is a program where first managers identify employee behaviors and then these performance-related habits are divided into desirable behaviors and undesirable behaviors. The aim of the OB Mod strategy is to strengthen desirable behaviour and weaken undesirable behaviors. Behaviour modification program includes normally five steps. This five-step problem solving is following:

1. Identification of performance-related behaviors
2. Measurement of the behaviors
3. Identification of behavioral contingencies
4. Development and implementation of an intervention strategy and
5. Evaluation of performance improvement.

Only critical behaviors are taken into account in the first step and normally it includes 5 to 10 per cent of employee behaviour. (Robbins 1989, 188-189.)

OB Mod is important tool for companies to improve employee productivity and to reduce for example errors, absenteeism and accidents. Classic example of usage of Behaviour modification is the aim to increase sales. Company may set a goal that average sale needs to rise from 19 euros to 25 euros and when employee reaches the goal, employee get congratulations from the supervisor. OB Mod is criticized also about being a manipulative technique to improve motivation. Some critics claim that recognition, feedback and praise do not work in a long run, because these are nonmonetary actions. (Robbins 1989, 191.)

Flextime is also one possible way to increase employee motivation at work. Flextime is an alternative work schedule that allows employees to work during common core time period each day. Flextime term comes from words flexible work hour. Employees are free to form they workweek form a flexible set of hours outside the core. Flexible working hours increase employee job satisfaction, motivation and productivity. In the same way as job enrichment, flextime also increases responsibility and autonomy. (Robbins 1989, 202.)

## 4 RESEARCH

This is the part of the thesis where research responses are written down. Findings are not yet analyzed, but only reported. Interview questions can be found from appendix 1.

### 4.1 Data analysis

The practical part of this thesis includes interviews with ten employees from ten different companies. Respondents were not working in senior management positions, because the author wanted to research motivation from employee perspective, not employer point of view. Interviews were held between 21<sup>st</sup> of October and 2<sup>nd</sup> of November, either face-to-face, via phone or with email. Six interviews were face-to-face, three using email and one via phone. All of the answers were wide and comprehensive and all the responses were valid for the thesis.

Names of employees were not published, neither companies they were working at to respect the anonymity of respondent. Results were likely to appear more reliable, when employees were free to tell their opinions straight without the fear of disapproval from their superiors or companies. Respondents were both female and male and age range of the respondents varied from 24 to 56 years old. They all had had working experience for two or more years and in two or more different companies. Respondents were all asked to memorize different kind of changes during their careers and they all were asked the same questions about changes and motivation during the transformational processes.

### 4.2 Results overview

#### 4.2.1 Aspect of overall motivation

As the aim of the thesis was to figure out the motivations role in changing situations and to find out how changes affect the motivation, respondents were first asked to describe their overall motivation and sources of their motivation. Eight out of ten respondents reported that they were having high motivation at that time. Two respondents with lack of motivation were going through either big personal changes in their life or were having hard times in their job. Meaningful job was one of the main motivators that respondents brought up. They described that when tasks are meaningful for the whole working team and superior shows respect towards employees' actions motivations remains in a high level. Another source of motivation, that all of the respondents reported were co-workers and the overall atmosphere inside the company. When team spirit is on a high level and there is also place for jokes and humor at workplace, employees felt motivated.

Significance of a superior was one of the main points when employees described their motivators. Especially respondents over 35-years-old reported that their superior plays in a big role of their motivation. When superior is fair and gives value for the subordinates, the job itself is meaningful and motivating. Challenging and variable tasks played also in a big role of motivation and if the work itself was too easy, then motivation was not as high as it could have been. Goal setting together with superior strengthens the level of employee motivation came across in interviews. Specific individual and team goals help to focus to the organizations overall direction, three respondents told. Same three respondents pointed out that money or a pay rise did not play in a source of a motivation, when job itself was rewarding and objectives were challenging enough. Then again respondent who told she was having a hard time finding motivation, because of the negative climate at workplace, she revealed that at the moment, the only motivator to go to work is the monthly pay. Other six respondents did not mention anything about salary, when asked about the sources of motivation.

The next issue respondents were asked to describe was the overall motivation they were having when working. Eight out of then respondents told that they were having high or extremely high motivation at that time. Work was told to be part a big part of the identity and not only the way to get the bread to the table. Employees who defined their motivation as “really high” or “high” told that they were doing their tasks also outside the working hours. One female respondent reported that the motivation used to be at its highest just before the organization started “tremendous changes”. Participant described that the motivation level dropped down fast in a short period of time, because changes were fast and precipitate. The same respondent, 42-year-old woman told that lack of overall motivation made her look for new work opportunities from other companies. She told that she found her motivation back again when she actually got a new job from totally different industry. Working atmosphere was the biggest factor behind the new working motivation and also the fact that she believed to the future of the new company. She is no longer working only for the “monthly pay”, but more because of the interesting and challenging tasks.

Most of the employees reported that they were having hard times motivating themselves only, when tasks were too simple and easy. One respondent pointed out that if top management did not appreciate employees and their working effort, motivation to do job like before was on a lower level. Lack of appreciation causes insecurities among employees reported one respondent from healthcare factor. Male, 26-years-old, from health care industry described that first you start to underestimate your work, then you feel like your work does not matter anymore and finally you end up with really low working motivation. He

pointed out that employer who believes in his/her subordinates and is willing to give challenging tasks, boosts the motivation level among workers. The same respondent made a comment that the more he gets feedback, positive and negative, the more he has motivation to develop himself to work better.

When asked about superiors influence to employee motivation, every respondent replied that superior has a significant impact on motivation. As already mentioned, when superiors are truly interested of their subordinates and their job function, motivation of employees' stays in higher level. Leading by an example came across in two interviews and employees identified that when superior had a motivation on a high level, employees find it easier to motivate themselves too. The importance of listening and communicating was also mentioned in four different interviews. These four respondents were the ones with the most working experience measured in years. Sometimes during changing situations it motivated employees when superior was there to listen to subordinates and their worries. Many problems can be solved with communication and employees have more motivation when there is a feeling that their voice is heard, pointed out one 55-years-old female respondent.

#### 4.2.2 Motivation and change

In a question about motivation during changing situation, every respondent pointed out that working atmosphere and co-workers play in an important role. In times when superior had a positive attitude, employees were more likely to adopt the changes and act positively. Then again, if employee or team leader did not believe in change or had a negative attitude towards transformations, employees adopted that. One male respondent had a really good point about the future. Respondent told that because working conditions and habits are going to change tremendously in upcoming years anyway, there is no point to act negatively towards new. He pointed out that he is constantly trying to act positively and by accepting new ways of working. Positive attitude and welcoming change are two main ways to adopt new things and to develop as an employee he listed. Another male respondent told that he was able to keep his motivation high no matter the circumstances, when he just kept his goals, team goals and company goals clear in his mind. He said that when employers too keep the focus on the goals the whole team could work hard to achieve them. If goals remain in the background during the change, the change will take the position of goals. Meaning that normally the focus should be in the goals, but when change takes place it can easily overtake the place of goals. Employers should constantly remind their subordinates that the goals are the most important thing and in order to reach them, changes are necessary, told one female respondent.

The role of an employer came across in many interviews as well and respondents mentioned the importance of a good superior in times when change is executed. While all ten replied that working atmosphere makes motivation high, eight out of ten respondents told that it is the working atmosphere that makes changes easier and more acceptable. Working atmosphere includes team members or the whole company. When working team has good attitude and superior is supportive, changes happen more easily, eight interviewees reported.

Half of the interviewees also made a comment about how big role training and education has in transformational processes. Employees were much more calm when they had proper training about upcoming changes and when they were allowed to be well prepared. One female respondent from small company told that stress would remain on a lower level if education would be provided well in advance. Also the amount of information and keeping employees updated with change processes made motivation level higher in times of changes. The fewer respondents had working experience in years, the more they gave weight to the training and development in case of changes. Training increased the motivation to implement the change, pointed out respondent with the least working experience. If personnel did not get the right amount of information and clear facts about upcoming changes, most likely they were going to make up worst case scenarios in their own heads or even worse, spread negative feelings and thoughts for the whole working community. One respondent had an experience of this kind of person who made everyone expect the worse about the change and respondent told that it could easily ruin the change process. If facts are on the table, rumors and negative people cannot harm the transformation that easily, respondents assumed.

Organizational changes had many affects on an employee motivation, but generally all the respondents told that positive changes release positive feelings and enhance working motivation. Positive changes included for example improvements of working conditions or taking into use new machinery that eases workload. Six people then again reported that if changes come from top to down and happen really quickly they affect negatively. One female respondent from a micro-enterprise had a really strict opinion about change and she told that changes lower always motivation a lot. The argument was that changes make employee feel like they have done the job wrong and that is the reason behind the transformation. Changes are sometimes seen as a note for employees that they have to perform better and that the old way of doing was somehow wrong. Still the majority answered that if new things are well implemented they increase motivation and refresh working habits. Two respondents also pointed out that every now and then they need changes to improve themselves as employees, these two respondents were the oldest ones of the sampling. Through improving employees, organizations actions get better too, one of them rationalized.

People welcome the change always differently and everyone has a unique way of acting towards the change. Respondents told for example that their first reaction towards the new situation was surprise, bewilderment, resistance, doubt or wonderment. 90 per cent of the respondents told that at first they wondered why the change is happening and is it really necessary. Second thought was disappointment and feeling that one's work is not appreciated enough. These negative thoughts, in most of the cases, turned into positive, when employees only had enough time to accept the change and talk about it with either their co-workers or with the superior. Each and every of respondents highlighted the importance of a superior in times of change. When superior was present and supportive when transformations took place, employees had a feeling that they could adopt new easily. Then again if there was not time to accept the change and enormous changes took place all at once, the most common reactions were confusion, irritation and resistance.

Co-workers came across in many interviews when talked about the change reactions. Each and every respondent told how work community and fellow workers had an impact to the change reactions and change motivation as well. When there were people who are sharing the same situation and similar kind of ideas, it helped to handle the process and came over the negativity. One respondent had a really different way to deal with changes. Respondent described the reaction as curiosity to see what is going to happen in the future to the company as well as to the functions. Only this one male respondent told that he is curious every time something new is about to take place at workplace, not matter if others see it positive or negative.

When asked about resistance, all the respondents replied to be against the change at some point of the process. They described the resistance as a natural reaction especially when they first had a feeling that changes were unnecessary. Changes were resisted mainly; because employees thought that they were not doing things right or that they need to change their own actions too much. Too fast or too big changes caused opposition among workers. There was only one respondent who mentioned that at workplace there had never been that significant changes that employees resist. Same respondent told that changes are always positive, in his point of view.

When employees were asked to describe their attitude shifts during changing process the most common answer was that attitude changed significantly. As described above, first reactions were mainly negative or maximum neutral, but as change continued people started to accept transformations. The more information they got about the change, the more their attitudes shifted. If there were no facts available, it was hard to accept or even understand the transformational process, told one

male respondent. Two female respondents told about similar kind of feelings, when they had lost important co-workers or superiors, they immediately had a feeling that change is only getting worse and not better. Superior changes caused feelings of suspicion among employees and made employees question the future of the company. This was luckily one extreme example and other eight respondents were not feeling this strong about change process. All respondents agreed that change process included various feelings and attitudes do change too.

#### 4.2.3 Change planning and information

Question of how change was informed beforehand got really similar answers from every respondent. Only one respondent from micro size company told that changes were informed well, while other nine replied that there was little or no information at all. Many employees had experiences where changes were informed too late, for example during the previous day. Late information and lack of information both caused negative reactions, respondents reported. 80 per cent of respondents described that information was not transparent enough or that they had a feeling that not all the details were on the table. Respondents told that the easiest way to react towards changes was irritation and resistance, when changes were run top down and without proper information. Ideal situation for everyone would be that there is an open information channel and even small change details are available for every employee, one respondent pointed out. Respondents also hoped to get transparent information early on, so that they could have enough time to internalize, understand and accept the change. Half of the respondents wanted to share experiences of upcoming change with co-workers or superiors to make it more acceptable. If change information did not come on time, there was no time to get ready for reformation, change was resisted, described male worker from medium-sized company. He told that the more complex the change, the more information and time are needed before the actual change process. Another respondent mentioned that simple changes, like shift in lunch hours, do not need that much announcement beforehand, but if change is more comprehensive and significant, employees need time to comprehend the process.

Change needs to be well prepared and well planned before execution, and normally it is managers who do the decisions and change planning. Six out of ten respondents still hoped that they would be allowed to be part of the change planning process. Employees felt that there was a lack of trust against their job if changes touch their part of job, but they were not allowed to be part of change planning. Employees who would have liked to be part of the change planning pointed out that not all managers are able to make decisions about "lower-lever job". Employees who work in the field and are the best specialist of their own job, described one female respondent. That is the reason why they would at least want to get their voice heard during change visions. Two respondents told

immediately that they do not have enough knowhow or experiences to be part of the change planning process and that is why they trust on their superiors what it comes to change. Other eight had at least some interest to join the change planning.

#### 4.2.4 Overall change reactions

There were already points about change reactions and behaviors among individual workers when change occurred. Respondents were asked to tell also about how their co-workers reacted towards the change and what was the overall atmosphere. Respondents were also asked to describe if others people reactions were adoptable in times of transformation. Each and every respondent answered that emotions are contagious in good and bad. One respondent in a small-size company had a really good point that there can be only one negative person among many positive and that one can ruin everyone's feelings. If the one person is against the change, he or she will most likely spread negative energy and bad ideas, respondent told. This kind of atmosphere was not optimal when trying to implement a successful change. Common feelings are still not always a bad thing, as one respondent described a situation where feelings brought co-workers closer to one and other and made them feel even more like a team.

As important role as co-worker had on welcoming the change, so had superior. One common answer was that superiors need to stand behind the change they are implementing to, because otherwise it is hard for subordinates to trust the process. Mainly all of the respondents told that their superior welcomed the change and tried to get everyone involved. Half of the respondents pointed out the importance of superior as creating a positive working atmosphere. During the change team spirit is even more important, expressed female respondent. One respondent told that the way employer represents the upcoming change plays a huge role on the attitudes of employees. Here comes again the point that information is important, if the goal is to become successful and to have an easy-going change where everybody is involved.

Superior's role as a change leader was extremely important for respondents when changes were significant and inconvenient. When employees were able to trust their superior and had an open communication throughout the change process, they were more likely to react positively. If superior was distant during change process, employees felt lost, described one respondent. Superior's presence and communication during change were key points that came up in six interviews. Common to all of these six respondents were that they all counted on their superior and trusted their actions. When they were able to trust their superior they described they motivation level high. If superior doubts the change it stick easily to employees too and employees will start to question themselves and the change too.

## 5 FINDINGS

This is the conclusion section of interview results. Findings sum up all the interview answers. Theoretical framework is linked with the quantitative research findings in order to understand the whole picture of motivation aspects in change process.

### 5.1 Aspects of overall motivation

Eight out of ten respondents, who described that there was a great working atmosphere in their workplace, were the one's who also told that their motivation level is high. Other two respondents with a lower motivation level were still in the same level with all of the respondents, that working atmosphere affects on motivation. Can be assumed that overall atmosphere, either in a positive or negative way, has impacts on motivation level of employees. Mathe supports this idea by pointing out that, when working environment is positive and organization has a healthy culture, workforce is said to remain highly motivated. (Mathe et al. 2014, 175., 177.)

Not only the atmosphere, but also the relationship with superior tends to affect the motivation level of employee. Respondents, who reported having a good relation with their superior, also reported that their motivation level is high. Especially respondents over 35-years-old highlighted the significance of superior as a motivator, but still each and every of the respondents came up with the positive impact of a superior to the overall motivation. The aim of the company is always to make employees feel confident and motivated about the change and normally it is manager's duty to promote accepting attitudes. (Sims 2002, 337.) Open dialogue, listening and supportive communication between superior and subordinate; seem to have an impact to motivation, as well as feedback. One female respondent who described her motivation level low, said that their teams superior did not pay attention to employees enough and there was not personal conversations between superior and subordinates. Lack of feedback and communication will affect negatively to work motivation, clarifies also Mathe and supports these findings. (Mathe et al. 2014, 25.)

Goals keep work interesting, claimed four respondents, who were also having high level of motivation. Two out of these four also described that they need to understand the overall direction of the company, to be able to work towards goals. Still especially personal objectives keep the motivation high, clarified male respondent. Respondents, who also pointed out the significance of superior, told that they would like to set up their personal goals together with their superiors. Sims (2002, 73.) stands for this fact by pointing out that goal setting is probably the most powerful source of motivation. Clear team goals too strengthen the

motivation in respondents' point of view. The more specific the individual and team goals are, the easier it is to focus to the objectives of whole company, respondents replied. As has been said by Sims (2002, 74.) challenging, but realistic goals with clear deadlines motivate employees. Also, when goals are set together participatively, motivation level and performance lever are more likely to stay high. (Sims 2002, 74.)

Because transformations always take time, short-term goals are important part of the whole change process. Most people will not engage to the long-term goals or changes, if there is no smaller goal to achieve and celebrate on the way. Short-term goals play evidence that change is going to work, one step at time. Too many employees resist the change or give up on an early phase if the time frame is too long and there are no small goals. Respondents experienced that motivation level is likely to remain high, if there are short-term goals and celebrations towards the main objectives. Kotter (1996, 11.) supports this by stating that successful change is all about involving people to achieve short-term goals and to reward them in order to fulfill bigger transformations.

Only one out of ten respondents described that she finds motivation from the monthly pay. Extra money may motivate employees until certain point, but in a long run, motivation has to come from within, is the opinion of Sims (2002, 55.) The same respondent had also hard time motivating herself at her tasks on the first place, because working atmosphere was extremely bad. Three respondents pointed out that they do not see salary as a source of motivation, while other six respondents did not mention anything about salary, when talked about sources of motivation. Based on these answers, can be assumed that salary is not the number one motivator, if goals are clear, tasks are challenging and the working atmosphere is positive.

If immaterial sources of motivation do not satisfy employees, the only reason to come to work is the salary. Herzberg's Motivation-Hygiene (Sims 2002, 599.) theory supports these findings. Hygiene factors do not motivate employees, like motivation factors do. Respondents described their sources of motivation as goals, job content and responsibilities. These factors are called intrinsic factors and they can act as a constant source of motivation. (Mathe 2011, 18.) In a long run intrinsic sources of motivation are better, because those will keep the motivation high and that way develop individuals and push company towards goals. Extra money may motivate employees' until certain point, but in a long run, motivation has to come from within. (Sims 2002, 55.)

As these findings clarify, the source of motivation is not the same for all the employees. Still there is one thing common for every motivated employee. Mullins and Christy point out that when employees are engaged to the organization, they are also motivated to work their best. (Mullins & Christy 2010, 750.)

## 5.2 Motivation and change

While respondent described that they accept small changes easier than the most complex ones, motivation did not increase by doing simple and routine tasks, respondents added. Challenges and responsibilities kept the motivation high, employees reported and if tasks were repetitive, working efficiency and motivation both decreased. While motivated employees put their best effort to the tasks, they also needed to feel that they were important for the organization and that their working input was meaningful.

When organization offered training and education, it was a clear sign to employees that they act in an important part of organization, several respondents claimed. Half of the survey respondents highlighted the importance of training in a change process. Employees felt more connected to the change process when they had proper training beforehand. Change process was not described as complex in times when education was there to support changes. Respondents who got training before the change took place, felt more motivated to carry the change process than employees with not enough knowhow. Employees are motivated to do their best when given growth and promotion opportunities, states Mathe, Pavie and O'Keeffer. (2014, 136-137.)

Respondents also pointed out that when changes occurred, they would like to get education well in advance to be better prepared to the changing situation. As already mentioned, education and training increase motivation to work, but also respondents told that training makes them more secure about the job. David McClelland's Achievement theory proves that learning, training and education stimulate the motivational need of achievement. The motive of achievement is a need to win and a need to achieve goals. (Sims 2002, 58-59.) Company is able to achieve its goals, when individuals are motivated to work towards their own objectives on the way to organizational goals. Based on the findings can be assumed that change process is going to be more simple, when employees are provided with training. Training also makes employees to work towards their goals with a higher level of motivation.

Even though 80 per cent of the respondents described their motivation level high or extremely high, all ten respondents still admitted at being against the change process at some point. Motivation level does not seem to have connection with change positivity. Even extremely motivated employees may be against the change process at first. Anderson explains this finding with ego's needs. Resistance is nine times out of ten unconscious and resistance springs from ego's threatened core needs. Even motivated employees act like they do, without even realizing that their ego is the driver behind anti-change actions. (Anderson et al. 2010, 140-141.)

Organizational change is often associated with dissatisfaction or other negative outcomes and that is the reason why change often causes resistance on the first place among workers. (Mathur 2013, 39.) Also nine out of ten respondents, when they first heard about organizational changes they questioned if the change is necessary. After confusion, the second thought was disappointment. All respondents described that their ideas about change process shifted, when they were provided with enough information.

Nearly every respondent told that they took changes at some point personally and had a feeling that they did something wrong in their job. Employees thought that their personal working level is the reason behind changes. This is typical reaction, as during change, people fear that they are going to lose control or power. (Mullin & Christy 2010, 762.) As time passed by, they all got used to the idea of change and except for one person, all the respondents saw the change finally as a positive. Fast changes implemented from top-down, got the most resistance and all in all six respondents claimed that their motivation level falls, if the top manager dictates the changes. Top-down communication and not allowing employees participate enough triggers only resistance. (Anderson et al. 2010, 41.) Based on these findings and answers, can be assumed that motivation level does not have direct connection to the change positivity, but if employees have motivation to work, they are more likely committed to change after the first negative reactions.

Next paragraph of the text explains more, how preconceived ideas about the change can be lightened and how resistance could be minimized. Every time employees resist the change, they will not see the change objectively (Kirkpatrick 2001, 22.) and that is one extremely important factor why resistance at work place should be taken into a closer look. Furthermore, when people are conscious of their ego and are familiar with the definition of core needs, they are able to response to the change on a more neutral way. (Anderson et al. 2010, 145-146.)

### 5.3 Change planning and information

Employees who said they were part of the decision-making process were more likely to have motivation to go through transformations. Change planning process allowed employees to feel needed and valued members or organization. All of the respondents were asked if they had a change to participate to the change planning and the one's who were allowed to participate the decision-making were more welcoming and open to the new opportunities. They also described that they were having higher motivation level, because they had a feeling of importance in workplace. Six out of ten respondents would like to be part of change planning somehow, because they believe that it would make the change simpler in their point of view. Employees who were not allowed to take part on change planning felt that they were not important parts of working

community. It had immediate influence on motivation, but also to the attitude towards change.

Respondents, who were not allowed to take a part to the decision-making process or change planning, were also more skeptical and negative about the changes. Especially, if the change took place in the areas where respondents were working. Participating to the decision-making is important, reported one female respondent from a small-sized company. She felt really disappointed when she was not allowed to make decision of her own job functions and this caused lack of motivation to perform after changes. She described that motivation level dropped down immediately, because she had a feeling that she is not appreciated member of the working community. She justified her willingness to participate in change planning, that she is the only expert of her own job function and she know best the pros and cons. If employees are not allowed to take part to the decision-making process, at least they should be involved to the discussion part, she explains. This is really common reaction as often people at the "bottom" of the organization are afraid that management makes decisions without knowing what is really happening "down on the line", Kirkpatrick clarifies. (2001, 21.) Appreciation of employees comes out in other two interviews too. Employees need to have a feeling that they matter to the company. Briefly, the more employees were allowed to participate to change process early on, the higher the motivation to implement the change was.

Communication was another key part of accepting the change, when asked from employees. Half of the respondents wanted to be able to share experiences of change with their co-workers or with their superior, before the change took place. Respondents described that when they had time to share their feelings and see the change from another employee point of view it was easier to accept and understand the new situation. Co-workers played in a role of psychologist, told one female respondent, while she said that changes got little less complicated when shared together with team. Change is easier to implement, when staff, managerial colleagues and unions are willing to co-operate, states Mullin and Christy (2010, 762.), supporting previous findings. This advocates to the fact that co-operating, and communications, ease the change implementation.

The negative side of open discussion and sharing thoughts with colleagues was that also negative ideas spread, not only the positive ones. One respondent had an unpleasant example from his work life. He described one change process from the beginning and told that change was not tremendous, but rather simple-minded, and almost everyone was positively positioned for upcoming reformations. Unfortunately, there was one employee who was strongly against the change, because of personal issues. That one person opposing the change was soon able

to turn heads of change advocates and spread negative feelings. Resistance and negativity are normal parts of change process and if people are allowed to feel all kinds of emotions during the process it will more likely be successful. (Mullin & Christy 2010, 762.) Spreading unnecessary negativity, like in the case example that respondent described, is going to be harmful for the company if there is not enough accurate points and facts available for everybody. All in all, communicating and sharing ideas seems to ease the change process as employees get wider perspective of the whole change.

Information came to the fore when respondents were asked to describe how they welcomed the change. If there was enough clear information available about the change, respondents were more likely to accept the transformations. Again, if there is a lack of information or information is inadequate, employees are likely to react more sceptically. Also Kirkpatrick (2001, 49-50) points out when employees are not informed about the change negative attitude may occur and even spread among employees. Continuous two-way communication should be clear from the beginning of the change process until the change is fully implemented. During and after change activities, manager should listen subordinates with empathy and answer to all kind of questions providing information. Complicated changes often need discussion face-to-face to be totally understandable. (Kirkpatrick 2001, 49-50.) Every respondent had an experience of change that had not been informed in advance. Reactions varied from confusion to strong resistance. None of the respondents welcomed the change in the first place, if there was not enough information shared. Attitudes were more positive, if information was available, respondents claimed.

Anderson (2010, 26.) advocates the shared information by stating that people are always more likely to commit the change when they have a clear understanding what is the driver behind the change. Change drivers create the impetus for change and thereby increase employee motivation. (Anderson et al. 2010, 26.) No matter how much information employees would like to receive before the change occurs, only one respondent got enough information about change in her point of view. In other nine cases, respondents claimed to have no information, or only little information about upcoming changes. 80% of the respondents also told that change information did not have enough details. When employees felt that there was a lack of information, they took more negative stand about the change. On this basis, a conclusion can be drawn: more information equals to higher less resistance and higher motivation to run the change. The more transparent the information shared, the less skeptical employees are.

Another issue affiliated to the complexity of change process is the timing of information. Nearly every respondent described that information is needed well in advance when change is planned. Information needs to

be provided for everyone with the great amount of transparency. The bigger the change, the more time employees need to have to accept the transformation and adopt the information. When changes were reported too late, employees find themselves more reluctant than in the cases when there was plenty of time to adapt. Time to adapt to the change allowed employees to discuss about the upcoming change for example with co-workers and superior. The importance of colleagues came across especially in the motivation part of the interview. Every respondent told that working atmosphere and co-workers act a big role in motivation, but also in communication. When there is time to discuss about the upcoming changes, people can broaden their vision and understand the change attempts better. Information level and information timing play both in a significant role of change acceptance and working motivation during the change.

#### 5.4 Overall change reactions

Resistance is the most common reaction when organizations go through change (Mathur 2013, 39.), because change is often complex and associated with negative feelings. Work is done wrong, co-workers leave, tasks need to be run in a totally new way respondents listed when asked about their feelings towards change. Like already mentioned in previous chapter, 90 per cent of the respondents questioned the change in the first place and each and every of the respondents resisted the change at least at some point. These strong reactions can be mitigated with open discussion and transparent information. Respondents were much more welcoming towards the change, when they were allowed to participate the change planning and when they had time to digest the reforms.

As the importance of a supportive superior already came across, can be stated, that superior has also impact on change reactions. Six out of ten respondents told that they count on their superior in times of change and easily adopt their reactions. 50 per cent of the respondents added that superior has also a massive impact to the change atmosphere. When superiors fully believe the change process and have positive attitude towards the transformation, employees adopt the actions. Employees do adopt the negative feelings as well, claimed six respondents. Overall atmosphere does matter how the change is welcomed and how the motivation forms. Change will be easier, when the atmosphere is favorable, eight respondents listed.

As transformational changes are the most complex kind of changes that organizations go through, those are also the hardest ones for leaders to manage. That way can be assumed that when respondents described that their superior could not stand behind the change processes, they were going through transformational changes in company. The beginning of the transformational change process is described as "chaos" (Anderson et al. 2011, 40.) so it is no wonder that some leaders may find it hard to

manage massive changes. As respondents reported that leaders' attitudes affect on their own motivation. It can be expected that during complex changes, if leaders are lost, so will be employees. The most complex transformations at workplace were also the one's that got the most resistance, based on interviews. Human's core needs explain the resistance behind the massive changes. For example, due to transformational changes chaotic nature, core needs are triggered and people are afraid of losing power. Then the most natural and also unconscious way to react is resistance and this reaction is springing from the ego's threatened core needs. Ego's fear of bad result or fear of not being safe are human ego's ways to try avoiding change and people act like they do without even realizing that their ego is driving the certain reaction. (Anderson et al. 2010, 140-143.)

When respondents described the changes in their workplaces as "small" it can be assumed that those changes were developmental or transitional changes. Like mentioned in theory part, developmental and transitional organizational changes are simpler than transformational change and that is the reason why those two types of changes are also easier for personnel. When respondents told about minor changes, they described them as easy, simple and straight. In these cases, employees find their motivation to get through the change process high and superior supportive. Of course, one situation came across where superior was not into the change, even the change was only described as simple one. Still most of the cases simple changes, developmental and transitional, were easier for the working community than complex and large changes.

## 6 RECOMMENDATIONS

Based on the theoretical framework and findings of the research, this chapter concludes the findings and states recommendations how an employee motivation can be developed during the change process. The objective of this chapter is exactly the same as the thesis objective number four. This chapter gives answer to both of the research questions: how an employee motivation can be developed during change process and how can changes in organization affect employee motivation. As research questions are really closely related to each other, answers are also given jointly.

The forth-coming suggestions include examples based on theory and interviews. These suggestions are mainly for managers who want to learn to lead change better and to understand the effects of motivation in change process. Suggestions are also valuable for employees, who would like to understand their own change actions and motivation sources in order to perform better at work.

### 6.1 Atmosphere

First of all, upcoming organizational change has a clear impact on employee motivation, when the atmosphere at the workplace is poor and employees do not feel comfortable in their job. This can be deduced from the fact that each and every respondent pointed out that atmosphere has a tremendous role in keeping the working motivation high. In addition, eight out of ten respondents pointed out that change is going to be much easier for employees, when atmosphere is favorable. The theoretical framework of the thesis supports this finding too. Mullins and Christy (2010, 747.) state that when organization culture fosters fun and pride, it is more likely to accept an era of unrelenting change. Can be assumed that “fun and pride” are parts of excellent and favorable working atmosphere. To sum it up, changes affect negatively to the employee motivation, if the atmosphere is bad. On the other hand, if the atmosphere is good, changes are more likely to happen easily.

Furthermore, positive working atmosphere supports the employee motivation during the changes. Proactive work in this case is extremely important and organizations should take care of their overall atmosphere in order to go through changes with high level of motivation. When working environment is positive and organization has a healthy culture, workforce is said to remain highly motivated. (Mathe et al. 2011, 177.)

Working atmosphere includes employee relationships with co-workers and superior. When change is about to occur, half of the respondents told that they want to share feelings, experiences and ideas about the transformation with co-workers. If working atmosphere is favorable for

open discussion and sharing ideas, employees find change simpler. Atmosphere does not only affect on change, but it has also impact on motivation. This came up during interviews as every respondent pointed out how significant influence good working environment has into the working motivation. Half of the respondents also told, that they need to have time to discuss about the changes with their co-workers or employers, in order to understand and accept the change. If employees are allowed to feel also negatively about the change, it will more likely be successful is the opinion of Mullins and Christy. (2010, 762.) Interview findings stand for this too, because employees who were able to share thought, both negative and positive, about the change, were more willing to commit the change process.

One extremely important factor of an employee motivation in change process is the example that superior is showing. As already mentioned, atmosphere plays big role in motivation, but the atmosphere at work is due to its employees and mostly due to employer. When superior had a good attitude and he or she was standing behind the change process, it was easier for employees to trust the process too. Employer with high motivation was likely to transmit the motivation among the employees. Same way, if employer or any other worker had a low motivation, it might easily spread among others. Feelings are contagious. There is no way employees have high working morale and motivation, if employer does not have them either.

Briefly, if working atmosphere is paid attention, employees have higher level of motivation and changes do not affect tremendously to the working motivation. If employee motivation needs to be developed, atmosphere has to be taken into closer look. Favorable atmosphere allows employees to share their thoughts and this way employees may find changes easier.

## 6.2 Information and education

Another matter, which affected employee motivation in times of change, was information or in some cases the lack of information. When change is about to take place, employees should be provided with great amount of accurate information in order to keep their motivation high. In other words, if there is not enough transparent information available for everyone, employees find it hard to stay motivated during the change and change is seen more threatening. This is due to fact that employees, as well as the whole organization, need to have understanding why the change is needed and what are the change objectives.

People are always more likely to commit the change when they have a clear understanding what is the driver behind the change. (Anderson et al. 2001, 31.) In the interviews it became clear that too often there is not enough information shared for the personnel. Each and every respondent

had an experience of lack of information even during the major changes. Lack of information had an impact on employee motivation and change attitude. Information should be equally shared inside the company for everyone. If organization does not inform employees enough about change details, employees may find it hard to run the change with their own actions. Lack of information may cause stress, frustration and feelings of insecurity among employees. Lack of information does not motivate employees, but when all the facts are clear and employees understand the reasons behind the change, the motivation is more likely to remain high. Simply, employers need to provide enough information of the upcoming change to keep employees on the track with high working motivation. Employees want to see clear facts on paper, to be able to give their best effort for the company.

Together with information, education is one key point in order to manage a successful change. When employees get training before the change occurs, they will be more favorable towards the process. This is due to simple fact that, for example people with high ego need have to know about the upcoming changes in the early phase and to get proper training in order to trust the process. (Anderson et al. 2010, 144.) Half of the respondents pointed out that if they got proper education and training before the change occurs, they felt more confident about the new situations. Seven out of ten respondents pointed out that education makes them more trustful towards the transformations. The more complex the change, the more education and time are needed for preparation, respondents pointed out.

Opportunities to develop are clear and meaningful ways to tell employees that they are important parts of organization (Mathe et al. 2014, 136.) and this way employee motivation rises. Training programs help employees to internalize changes and increase their motivation to go through transformations. People will react negatively the change only, if they are left feeling uncertain about the upcoming change, they do not understand the benefits of change or they do not have enough skills to carry out the change process. (Anderson et al. 2001, 36.) In other words, if there is not enough knowledge and training for employees when change is about to happen, negative feelings may occur. As training is the most common change method (Anderson et al. 2001, 34.), at least a short briefing should be provided for employees in order to keep them motivated and up to date with the change process. To sum it up, educated employees are likely to go through change process more easily and with a better level of motivation. Change is going to lower an employee motivation, if there is not enough clear information or proper training available for employees.

### 6.3 Goal setting

Goal setting is closely related with the previous points about information during change. As mentioned, when change is informed beforehand and all the details are available, employees accept the upcoming change easier. And to have high motivation to carry out the change, employees need to have proper training, but also clear goals and defined stepping-stones towards the final destination. Goals, like the information too, should be clear enough so that everyone is able to understand the new direction of the company. Change will not affect an employee motivation, if only setting up the objectives makes the change process clear enough. Goal setting is in a key role of a better motivation behavior during organizational changes. (Anderson et al. 2001, 35.)

Theory about Management by objectives (MBO) supports the goal setting. MBO is a program that uses goals instead of control to motivate employees to work better. (Robbins 1989, 185.) One of the greatest advantages of Management by objectives is that it provides personal performance objectives and supports the motivation that way. Goals are determined participatively together with superior and subordinate and goal progresses as well as feedback are important parts of an employee motivation. If there are no clear objectives for the changes and employees do not know why the change is needed in the first place, the motivation to implement the change is likely to be on a low level. In other words, change will not affect the employee motivation if there is clear direction where the company is going. If then again the company cannot provide guidelines or objectives, employees will not have high motivation to implement the change. Goal setting is probably the most powerful source of employee motivation. Challenging, but realistic goals with clear deadlines motivate employees. (Sims 2002, 73-74.) If everyone is aware of the organizational objectives, as well as one's personal goals, motivation will remain high even in times of change. Goal setting is an important step in order to have highly motivated employees in times of change.

### 6.4 Employee participation and commitment

Committed employees are the key factor behind a successful and effective change. (Anderson 2010, 26.) Committed employees want to be part of decision-making process, came out in the interviews. Six out of ten respondents were willing to participate the change planning and decisions making and also these six were the most positive about transformational processes overall. When employees were allowed to participate change planning, they worked with higher motivation while implementing the change. This can be explained with the fact that, employees' egos react positively, when given a chance to give input to decisions. (Anderson et al. 2010, 143.) When employees are allowed to take part into the change planning they understand the change drivers

and follow the transformation process easier. People are the key factors in implementing a successful change, states also Mullins and Christy. (2010, 762.) Also Kirkpatrick stands for this idea, as pointing out that when employees have a feeling of power they are more likely to commit change process. He says also that work participation is probably the most significant factor in order to affect employee attitudes during change. (Kirkpatrick 2001, 26.)

As mentioned in previous chapter, employees need to have a clear vision of the drivers behind the change, because in fact it is the human actions that drive the change in the first place. Organizations are not able to change unless employees are willing to take the first step towards the change. Work motivation is positively related with work performance, job satisfaction and organizational commitment. (Mathur 2013, 40.) That is why employees should commit their subordinates as much as they can during the change process. Employees who were allowed to have feelings of importance and power were more approving towards the change. Determining the change drivers and objectives personally employee motivation grew.

## 6.5 Further research

Motivation as a topic is an extremely wide and complex, so that is the main reason why this thesis delimited the research to employee point of view. Interviews were held in order to get as personal information as possible and respondents represented all the different ages and different companies.

In order to get more valuable information about motivation, age aspect could be taken into a closer look. It would be interesting to know, how much does the age of the employee effect the working motivation. The connection with working years and change positivity would be one interesting research aspect too.

Another aspect for the further research is the size of the company. For example, how the information part is handled in different companies and do larger organizations spend more time or money to educating the employees, as these factors affected the employee motivation. While atmosphere had a significant influence on employee motivation during change, are there any differences between small or medium sized companies?

Cultural aspect of the motivation was left out from the research, as all the respondents were Finnish. Even though many of the companies employees were working at were international, still the cultural background of respondent may have some influence on motivation.

Research findings are always more comprehensive the wider the amount of respondents there is. It would be interesting to investigate the effect of change to motivation with hundreds of respondents, but questionnaire may not be the most suitable method to gather personal information of motivation.

## 7 CONCLUSION

Motivation in a change situation from an employee perspective was the main topic of the thesis and it was researched via two closely related research questions. The first research question was: how can changes in an organization affect employee motivation and the second one: how can employee motivation be developed during the change process. In order to search these questions, theories of motivation, together with change management theories were studied.

Motivation theories showed up that there is a clear link between individual motivation and organizational performance, so that is one of the main reasons why each company should strive to develop an employee motivation. Highly motivated individuals performed better, but change had impacts on overall employee motivation, if transformation processes were managed poorly.

Interviews with ten employees showed that changes in an organization do not necessary affect on an employee motivation, if only certain issues are taken into account. Changes do not affect an employee motivation, if atmosphere in the workplace is good and employees are allowed to participate into decision-making. The amount of information and education had also a significant effect on an employee motivation during the change. Goal setting acts also in a significant role of a change planning, as employees had higher motivation in times, when they had a clear direction and clear objectives.

To develop an employee motivation during the change process employees' need to pay attention especially to the previous points: atmosphere, participation and commitment, goal setting and information and education. Working atmosphere should be taken into consideration continually, if companies want to have highly motivated employees during transformations. Another issue that is associated with a high motivation level is the amount of information and education provided. When employees are given transparent information and proper training they find their motivation higher in times of change. Together with these factors, goal setting is also one key in order to develop an employee motivation during transformations. When employees had a clear understanding of the new direction of the company, and they had personal and organizational goals clearly in their mind, it was easier to keep the motivation level high. The source of motivation in change situation is the level of participation and commitment. Employees who were allowed to participate the change process had a higher motivation during the change situation.

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## INTERVIEW QUESTIONS

1. How would you describe the source of your motivation? (Job itself, salary increase, promotion, motivational tasks, coworkers, recognition, working relations, job security, etc.)
2. How would you describe your overall motivation at work?
3. Have you had hard times motivating yourself? Why?
4. How does your superior influence your motivation?
5. What keeps you motivated in new and changing situations? (Training programs, education, your superior, etc.)
6. How do organizational changes affect your motivation?
7. What was your first reaction towards change?
8. Were you against the change at some point?
9. How did your attitudes shift as change continued?
10. How was change informed beforehand?
11. Were you part of the change planning? Would you like to be involved?
12. How did your co-workers react towards the change? Did you adopt their feelings?
13. How did your superior welcome the change?
14. How did his/her reaction affect on you?