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Work motivation and development of the reward system in case company X



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Work motivation and development of the reward system in case company X

The aim of this thesis was to find out how satisfied the employees are with the current reward system and how the reward system could be developed. The aim was also to collect observations about the factors influencing work motivation. The study was conducted for a company operating in the financial sector and the object of the study was a one team from the case company.

The study was carried out as qualitative research using thematic interview combined with quantitative research in the form of a survey. 15 employees responded to the survey, and two managers and one employee were interviewed.

As a result of the study, it can be concluded that the current reward system should be developed, because it is currently not motivating or fair. Through the study, it was also possible to observe how different things motivate different people. Based on the results of the study, for some employees, monetary rewarding is more relevant in terms of motivation than for others.

Based on the results of the study, development proposals were presented for renew the salary structure and reward system. The employees who responded to the survey were divided into two different groups based on what motivates them.

Keywords:

Monetary rewarding, motivation, non-monetary rewarding, rewarding system, work motivation

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Maria Liukkonen Suominen

Työmotivaatio ja palkitsemisjärjestelmän kehittäminen case yrityksessä X

Opinnäytetyön tavoitteena oli selvittää, kuinka tyytyväisiä työntekijät ovat nykyiseen palkitsemisjärjestelmään ja miten palkitsemisjärjestelmää voitaisiin kehittää. Tavoitteena oli myös kerätä havaintoja työmotivaatioon vaikuttavista tekijöistä. Tutkimus tehtiin finanssialalla toimivalle yritykselle ja tutkimuksen kohteena oli yksi tiimi case-yrityksestä.

Tutkimus toteutettiin laadullisena tutkimuksena käyttäen teemahaastattelua yhdistettynä määrälliseen tutkimukseen kyselyn muodossa. Kyselyyn vastasi 15 työntekijää sekä haastateltiin kahta esihenkilöä ja yhtä työntekijää.

Tutkimuksen tuloksena voidaan todeta, että nykyistä palkitsemisjärjestelmää tulisi kehittää, koska se ei tällä hetkellä ole motivoiva tai oikeudenmukainen. Tutkimuksen kautta oli myös mahdollista havaita, kuinka eri asiat motivoivat eri ihmisiä. Tutkimustulosten perusteella osalle työntekijöistä rahallinen palkitseminen on motivaation kannalta merkityksellisempää kuin toisille.

Tutkimuksen tulosten perusteella tehtiin kehitysehdotukset palkkarakenteen ja palkitsemisjärjestelmän uudistamiseksi. Kyselyyn vastanneet työntekijät jaettiin kahteen eri ryhmään sen perustella, mikä heitä motivoi.

Asiasanat:

ei-rahallinen palkitseminen, motivaatio, palkitsemisjärjestelmä, rahallinen palkitseminen, työmotivaatio

Content

1 Introduction	7
1.1 Background and introduction to case company	7
1.2 Aims and objectives	8
1.3 Research methods	9
2 Rewarding and motivation	10
2.1 Rewarding	10
2.1.1 Monetary rewarding	12
2.1.2 Non-monetary rewarding	18
2.2 Motivation	23
2.2.1 Manager's point of view	27
2.2.2 Employee's point of view and wellbeing	28
3 Research execution	30
3.1 Research methods and data collection	30
3.2 Data analysis	33
4 Results	35
4.1 Employees' opinions about the reward system and what motivates them	35
4.2 Managers' thoughts on the reward system and what motivates them	45
4.3 Research reliability and validity	46
5 Conclusions and recommendations	48
5.1 Conclusions	48
5.2 Recommendations	53
References	56

Appendices

Appendix 1. Questionnaire for employees

Appendix 2. Interview questions for managers

Appendix 3. Interview questions for employee

Figures

Figure 1. The Elements of Rewarding (Hakonen et al., 2014, p. 35).	13
Figure 2. Employees who have been working for competitors.	35
Figure 3. Employees who have applied for another job within the last 2 years.	37
Figure 4. Employees who would change their jobs for a better salary.	37
Figure 5. The current reward system does not motivate.	38
Figure 6. The current reward system is nor fair.	39
Figure 7. Employees' thoughts regarding advancement within the workplace.	42

Pictures

Picture 1. The motivational profiles of employees.	52
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Tables

Table 1. Pros and Cons of Performance Pay according to Symonds (2022) and Peek (2022).	15
Table 2. Herzberg's Motivators and Hygiene Factors (Nickerson, 2021).	24
Table 3. Timetable for the research execution.	30
Table 4. Employees' satisfaction wirth the employer.	35

Table 5. Employees' sense of success at work.	36
Table 6. Experience of employees to get support at work.	38
Table 7. Employee satisfaction towards the current reward system.	39
Table 8. The basic salary level should be raised.	39
Table 9. The reward system should be developed.	40
Table 10. The performance rewards should be developed.	40
Table 11. Things that motivate employees.	41

1 Introduction

1.1 Background and introduction to case company

When scrolling through Linked In, we see more and more posts about salary transparency. In many of these posts people are wondering why salary is not visible in the job advertisements. It is very rare that the exact salary is mentioned. Would visible salary attract more potential employees to apply for the position available? Some applicants might not submit their job application if the mentioned salary level was too low for their needs. Both parties' time would be saved if unnecessary applications were not sent.

This thesis studies the development of a rewarding system in a finance sector organization, and considers employee motivation, engagement, and wellbeing. The need for this thesis was found on my own initiative and regarding the wellbeing and motivation of the personnel. This research is topical, because there is a shortage of experts in the labor market, it is more difficult to commit professionals to the workplace and thus the turnover is high.

The case company in this thesis is a company that operates in the financial sector. In this thesis the company is referred as company X. The company X provides financial services to personal customers and companies in 8 countries. It has more than 3.3 million personal and business customers and more than 2 000 corporate and institutional customers. The company X employs more than 20 000 employees.

At the moment the case company has some material and non-material rewarding systems, but the demand for a better rewarding system is real and needs to be developed. The company conducts a commitment survey twice a year, and the survey covers the following themes: commitment, factors promoting commitment and themes around the company. Job satisfaction and loyalty are discussed under the theme of commitment. Job content reputation, salary and terms of employment, working conditions, company engagement,

learning and development, immediate supervisor and cooperation are discussed under the factors that promote commitment-theme. The last theme is about company's cultural commitments, diversity and inclusiveness. The results of the survey are analyzed among the own team and possible development proposals are discussed.

The discussion around rewarding is a very hot topic during springtime, when some of the employees are being rewarded from last year's success. Team members speculate who are the lucky ones and compare themselves to others. Once or twice a year the whole personnel gets a survey that is around the following topics: rewarding, motivation, wellbeing, and leadership. The results are being presented to the entire personnel and are being examined in more detail within a team, and proposals for solutions are being considered.

1.2 Aims and objectives

The aim of this thesis is to find out how satisfied employees are with the current reward system and how it could be developed. The aim is also to collect observations about what factors influence work motivation among employees and managers. Based on the collected information, a new reward system will be drawn up for the case company, that is both fair and motivating.

The competition for the best employees is tough and with competitive rewarding system the company shows it wants to invest in good employees. The employees that succeed, often motivate others to be better as well. This study examines different forms of rewarding, both monetary and non-monetary. In the study, we also learn about how employees can be motivated and what factors affect motivation through motivation theories.

Other aspect I want bring up is wellbeing at work. What the situation is now and how it could be developed. What motivates employees and what does not?

1.3 Research methods

This research was carried out in the form of a survey and interviews. The survey was conducted through the Webropol 3.0 service platform, and it was presented to experts who work at the case company X. All those who responded to the survey do the same job at the case company. The survey contained 15 questions. After the survey, two people working in a manager role were interviewed. The interviews included 5 questions and they were conducted via Microsoft Teams meeting. The third and last interview was conducted with a person who has recent experience in both working as a manager and in the role of an expert. The interview contained 6 questions and was also conducted as a Teams interview.

2 Rewarding and motivation

2.1 Rewarding

Rewarding is the most effective tool for personnel work. From a management point of view, it is also a critical work tool. (Hakonen, N, Hakonen, A, Hulkko-Nyman & Ylikorkala, 2014, p. 14.) To reach set sales targets the reward system must be planned and executed well. The reward system has to be agile and easily changed if necessary. One thing that must be considered is if the rewarding happens on an individual level or on a team level. Rewarding on a team level motivates the team to be better together, while individual rewarding is fairer and more supportive. The best way is to combine both rewarding types. (Oikarinen, 2020.)

According to Noora Marttinen there are four key factors when building up a reward system (Oikarinen, 2020). Firstly, products and services must be identified, that are being sold to customers. Some products might be more complex than others and therefore need more time and effort. Secondly, it must be identified how results are being measured. If the monthly or annual targets are only being followed in euros, it is much easier to measure and compare them than if they would be based on opinion or experience. Thirdly, sometimes finalizing a sale might take more effort and co-operation or it might be a solid individual performance. Lastly, the measuring time cycle must be decided. It could be done in short term or in long term. Some products might require more time to get sold than others. (Oikarinen, 2020.)

Marttinen says that the sales operating model tends to turn in one direction in all these four key elements. The first option is that the tasks and processes are very complicated and results hardly measurable. The job requires a lot of co-operation and contains long-term goals. In these cases, a competitive salary is a good base for reward system and the salary should be increased if necessary. The bonuses should be paid based on the team effort and outcome. (Oikarinen, 2020.)

If the situation is the opposite and tasks and processes are simple, results easily measurable, the job does not require co-operation and it contains mainly short-term goals there should be a different kind of reward system. The rewarding should be on individual level with commission and/or bonus system. (Oikarinen, 2020.)

According to Lasse Alvesalo it is also important that sales professionals get rewarded from good work and customer relations. Often only euros and percentages are measured. (Oikarinen, 2020.)

If a company wants to build a good reward system, the following corner stones should be included in it. Employees have to be able to reach the set targets and therefore get the reward. Managers have to understand the fundamentals of the chosen rewarding system. The rewarding system should be communicated clearly to everyone involved. The reward system should also be fair. (Oikarinen, 2020.)

Rewarding is a way of leading that supports organizations success and encourages employees. Rewarding should encourage employees to work according to organization's values and targets. Rewarding motivates employees to work more efficient to reach set sales targets. (Kauhanen 2003, p. 105.)

The purpose of rewarding is to lure right kind of persons and to hold onto them in the company. The idea is also to increase good performance, commitment, develop competence, co-operation and productivity. Rewarding can also have some negative effects to employees. Some might experience it as unjust, and it could cause envy between employees. This is something the company wants to avoid. Rewarding should be transparent, well-planned, consistent and fair. (Ylikorkala, Hakonen, A., Hakonen, N. & Hulkko-Nyman, 2018, p. 13-17.) Good reward system adds motivation, shows respects, grows professional pride, promotes good work atmosphere, encourages to do the right things, enables development, and brightens up the meaning of work. Of course, different employees have different needs and expectations and that is why managers need to observe employees to find the right ways of rewarding. There are

different ways to measure employee's satisfaction. (Nieminen & Tomperi, 2008, p. 151.)

From the research carried out by Mandatum, it can be concluded that money and rewards motivate employees significantly (Palkitsemistutkimus, 2022). The research was carried out 2022 and 325 responses were received from companies and 1000 responses from personnel. Results showed that rewarding motivates staff more than companies understand. Most respondents thought it was a good thing to be rewarded for a job well done. The reward system works best if the things to be measured are clear and balanced in relation to the company's goals and the person's job description. When a person has a genuine opportunity to influence the achievement of goals with his or her own work, the reward is important. Then the built-in reward system works in the best way. Many respondents wished that reward systems would be transparent and communicated openly. The staff's experience with communication about the reward system and principles is clearly weaker than the employers. If the basis for determining the rewards is not known, the rewards will neither motivate nor have a positive effect on the employer's image. (Palkitsemistutkimus, 2022.)

2.1.1 Monetary rewarding

The elements of rewarding consists of both monetary and non-monetary methods (as seen on figure 1). Monetary rewards include base salary performance pay, benefits, initiative awards and special awards. Non-monetary rewards include stability and flexibility, potential for influence and participation, appreciation and feedback and development and training possibilities. (Hakonen, N., Hakonen, A., Hulkko-Nyman & Yli-Korkala, 2014, p. 35.)



Figure 1. The Elements of Rewarding (Hakonen et al., 2014, p. 35).

Base Salary

Salary is one of the most typical examples of concrete rewarding. Salary must be suitable for each employee. It must meet the expectations and requirements that have been pointed out to the employee. Low rewarding might drive people to perform by the easiest and simplest way. (Nieminen & Tomperi 2008, p. 152.) The key is that employees must have a good knowledge and information regarding salary and rewarding. This has a positive effect on wage satisfaction, commitment, and motivation. (Liinalaakso et al., 2016, p. 49.) Usually most of the salary is based on the demands of the work. By evaluating the demands and complexity of the job a hierarchy can be defined. After this, different jobs ja positions can be divided to salary categories. (Hakonen et al., 2005, p. 77.)

Performance pay

Performance pay is worth the effort. When the performance pay system works, the organization can thereby communicate what is considered important. Without active approach, performance pay systems may work against the company's goals. (Hulkko et al., 2002, p. 25.) Companies want to improve their results and the quality of their products and services. They want to be more competitive. The goals are being pursued in different teams and units by different actions and ways of development. Performance pay is a good way to show employees that if goals are reached, they are being rewarded with extra payments. (Hakonen et al., 2005, p. 113.)

Managers and leaders have important roles in performance pay. They must tell employees what the goals and targets are and why and how these are being measured. In the best case some of these targets and goals are planned together with managers and employees. It is important to think about the actions on how these goals can be reached. In addition, good conditions have to be created in order to reach these goals. Managers have to give feedback to employees regularly. If all of these important details are utilized, the opportunity to reach the set goals is real and all of the parties get what they want. (Hakonen et al., 2005, p. 114.)

The performance pay planning is an interesting task. The idea is to reward, make success visible, support strategy and goals, promote team spirit, grow commitment, and bait new people. The measured effects of rewarding have been higher productivity, better quality, cost reduction, reduction in absenteeism, lower turnover, positive development of work attitudes. (Hakonen et al., 2005, 122.) The performance pay has an impact on employees' attitudes towards the company. An employee becomes more committed to hers or his workplace when the whole of the rewarding, both intangible and material, is functional. The performance pay also has a direct effect on the general atmosphere and the employee's mood. (Hulkko et al., 2002, p. 27.)

Performance pay reward program motivates employees to perform to the best of their ability and strive for continuous improvement by offering them tangible rewards. Many argue that it may encourage engagement and help retain top

talent. (Symonds, 2022). Performance pay can also cause higher stress levels in employees and lower job satisfaction. Employees who receive performance-based pay tend to work harder or feel that they are being encouraged to work too hard. Employees may value the extra earnings they get through performance pay and see the reward system as a positive thing, but in the end the beneficiary of employees' extra work effort is the company not the employee. (Peek, 2022).

Table 1. Pros and Cons of Performance Pay according to Symonds (2022) and Peek (2022).

Pros	Cons
Improves recruitment and retention of high-performing talent	Can lead to favoritism if managers don't apply performance pay strategy consistently
Reveals areas for improvement	Risks valuing quantity over quality
Increases productivity	Risks putting too much focus on objective skills
Sets clear expectations	Can negatively affect company culture
Boosts motivation and morale	Hard to change
Offers employees more control	
Can lower costs and help businesses to remain profitable	
Helps to create a strong bond between employee and employer	
Helps nurture a high-performance culture	
Clarifies the process of setting goals	
Is part of creating healthy performance-based culture	
Establishes company values	

Both Symonds (2022) and Peek (2022) point out pros and cons related to performance pay (see table 1). Peek believes that Performance pay improves the recruitment and retention of a top talent. Secondly Peek believes that it reveals areas for improvement, such as training processes and communication. He also believes that it can increase productivity and set clear expectations for raises, reducing miscommunication and promote transparency around the subject of pay. Symonds is thinking that performance pay boosts employee motivation and morale, increases productivity, helps nurture a high performance culture, clarifies the process of setting goals, helps on creating a strong bond between employee and employer, pays a part in creating a healthy performance-based culture, establishes company values, offers employees more control of their work, enables company to attract and retain top talent and lower costs and help businesses to remain profitable.

Peek (2022) believes that performance pay risks valuing quantity over quality and that it can negatively affect the culture of the company. Some members of the team may not be comfortable in a competitive environment and may not appreciate the competitive performance pay structure. Peek also believes that changing the reward system later can be difficult. Symonds (2022) like Peek also believes that performance pay may have a negative effect on teamwork. He also believes that performance-based pay may distract the employee from team objectives if employee is more focused on his or her own skills or productivity. Symonds agrees with Peek that performance pay can drive employees to value quantity over quality. Symonds also thinks that it can result on putting too much focus on objective skills. Symonds agrees with Peek that the performance pay plan might be difficult to change. Symonds also thinks that performance pay may lead to favoritism.

In addition to the basic salary and annual bonus, one-time bonuses should be introduced as one form of rewarding. One-time bonuses have increased their popularity in the labor market. Employees can receive a lump sum when they have handled a difficult situation, brought about a change that brings help and relief to the entire work community or brought a new customer into the

company. Salary and performance bonuses often react too slowly, alongside them there is a need for a faster way to say thank you. Even though the one-time bonus is often much smaller than the actual performance bonus, it makes the recipient just as happy because of its surprising nature. One-time bonuses can also be given in the form of days off. Some companies offer their employees snacks in the office, career coaching, massages, dental care and cheaper movie tickets and even joint trips abroad. Some companies offer childcare and summer clubs for employee's children. Scheduling non-material rewards is important and should not replace monetary rewards. (Sullström, 2021.)

Benefits

Employee benefits are non-salary compensations, and companies offer benefits to employees to attract new talents and retain their current workforce (Doyle, 2022a). There are a lot of different benefits that companies offer for their staff, for example lunch, cellphone, healthcare, gym, staff discount, carpark just to mention a few. Some benefits are regulated by law whereas some extra benefits seek to increase the attractiveness of the job. Usually, benefits are seen as they belong to everyone who work in the company and not as rewarding. Sometimes benefits are not valued the way they should be. Benefits are a big investment from the company. (Hakonen et al., 2005, p. 140, 142.)

Initiative awards

According to working condition barometer made by SAK, Finnish labor confederation, initiative awards are an effective way to encourage employees to make development proposals. The survey shows that in the workplaces where development proposals are rewarded employees present their ideas four times more often than in places where initiative awarding does not exist. (SAK: n työolobarometri, 2016.)

Initiatives are all improvement proposals aimed at developing the company's operations. The initiative can also be raising a problem and proposing a solution. Initiatives can be taken on all matters related to the company's

operations. The aim of the initiatives is to improve productivity, working methods and work tools. Secondly the idea is to increase profitability and marketing. Thirdly, the purpose is to improve customer satisfaction both internal and external. The aim is also to create savings in terms of materials, supplies, time and energy. The idea with initiative ideas is to reduce negative effects on the environment. Lastly, the aim is to develop cooperation with customers and improve working conditions, comfortability, tidiness and security at work. (Hakonen et al., 2014, p. 180.)

The manager's task is to act as a spokesperson and to encourage employees to take initiatives. Campaigns can also increase the number of initiatives. (Hakonen et al., 2014, p. 182, 185.)

Special awards

Giving employees awards make them feel appreciated, recognized, and valued. How a company makes its employees feel is at least as vital in attracting and retaining top talent. (Garrett, 2022.) Special awards are manager's and leader's way to notice certain significant events and work performances. They are recognitions that involve some kind of reward. Special awards are hard to measure because of the variety and versatility. Out of all the rewarding ways the special awards are the most versatile. Special rewards are spontaneous but also systematic. They are a great way to recognize good work performances quickly. They are a way to say, "thank you", "well done" and show appreciation to employees and colleagues. The name special award tells a lot about its nature. It is not ordinary, and it can be remembered after several years. (Hakonen et al., 2005, p. 185.)

2.1.2 Non-monetary rewarding

Non-monetary rewarding is something employees often forget when comparing different workplaces. It is something employees might take for granted and notice the difference then when they do not know longer have that benefit. (Sistonen, 2008, p. 178.) Non-monetary rewarding is more loosely defined than

concrete rewarding. The behavior and cultural attributes of the company are connected to nonconcrete rewarding. For example, how appreciation is shown for employees from the good work they have done, with words and emotions. (Kaajas et al., 2004, p. 43.)

Stability and flexibility

The type of an employment contract has a major role when an employee is looking for a job. A person in a permanent job can plan their life and expenses better than a person with fixed term employment contract. The difference is significant. A person with a fixed term contract may not be able to get a housing loan from a bank for instance. The uncertainty of the employment and its continuation is also very challenging mentally. (Hakonen et al., 2005, p. 203.) Permanent contract employees and fixed term contract employees might get treated differently when it comes to benefits and rules. Some benefits are only meant for employees with a permanent contract and the same applies for performance bonuses. Employees with fixed term contract are in a weaker position in many ways. (Hakonen et al., 2005, p. 206.) People need stability to do their best at work. Uncertainty at work affects employee's ability to focus, adapt and thrive. Stability can be physical or psychological. Physical stability means that the employee has the tools and resources to perform well at work. Psychological security is about the wellbeing at work, trust between the employee and employer, faith in the organization and resilience between one another. (Ryba, 2020.)

The perception of safety of an employment relationship is built by the actions and reputation of the organization. Mergers and acquisitions cause uncertainty. The goal is to keep the key employees through the transition phase. One way to do this is to grant the key employees transition bonuses. This shows that the company is willing to keep the good employees no matter what. (Hakonen et al., 2005, p. 208.)

Employees who are flexible are typically more valued by employers. This also works the other way around, employers who speak in favor of flexible work

environment are more attractive to employees. A flexible work environment helps workers achieve greater work-life balance. This often leads to increased employee satisfaction and improved morale. Thereby also the employee turnover can decrease. Flexible schedules mean that employees can change their work arrival and departure times if necessary. Condensed schedules fit the same amount of work over a shorter amount of time, such as four days, giving the employees an additional day off during the week. Reduced schedules mean working fewer hours than the normal workweek. (Doyle, 2022b.)

Two years ago, remote working became the new normal when COVID-19 set the rules for our society. Of course, major parts of the society still kept working in the field, for example hospital staff and grocery stores. Remote work is not self-evident for everyone, but for those, who can work remotely, the new way of working has come to stay. According to Finnish Ministry of Employment and Economy working barometer 2021 employees who work remotely are quite satisfied with remote work. Most of them have quiet space from which to work from. Most of the barometer respondents think that they can focus better when working remotely than when working from the office (Lyly-Yrjänäinen, 2022, p. 46).

Potential for influence and participation

Out of all the rewarding ways, potential for influence and participation are the ones to which the manager has the most effect on. Potential for influence means how an employee can influence his or her own work, working methods and other work-related factors such as rewarding. (Hakonen et al., 2014, p. 233.) Influence can also be considered as a tool of power. Gaining more influence is critical for success. Gaining influence that makes you more respected takes more time and effort but makes your voice more likely to be heard and acknowledged. Building trust among co-workers is crucial because without it he or she will not be open to your influence. Another important way to gain influence is by cultivating reliability through consistency. On the other hand, inconsistency is the fastest way to ruin one's reputation. Influence can also be gained with self-confidence and flexibility. These two can go hand in

hand. When people believe that a person is flexible with his or her ideas, the person is more likely to listen even if she or he rigid rigid with his or her own believes. Personality is a key factor when building influence. Being approachable and human is important for cultivating a team. (Demers, n.d.) Potential for participation means processes and ways by which employees have the opportunity to influence matters related to their own work. Both rewarding ways are very important, and studies have shown that they increase productivity, the quality of the end result, employee satisfaction and commitment. Employee participation and influence in the workplace are typically carried out in different groups. The groups can be made up of either mere staff or the management can be included as well. Staff can also be represented by chosen representative that joins the executive team. Other forms of participation are staff survey, teamwork, and initiative system. (Hakonen et al., 2014, p. 233-236.)

Appreciation and Feedback

When manager appreciates employees, they get more done together. Appreciation is reflected in a desire to collaborate, listen, encourage, and accept that people and their experience background are different. Appreciation and fair treatment both improve employee satisfaction. (Hakonen et al., 2014, p. 243.) Appreciation signals that everyone is important in the workplace. It begins with very simple gestures like greeting each other and treating others as we would like to be treated ourselves. Occasional “Good work!” or “Well done!” are good but will not signal thorough appreciation. Instead, paying attention to the details of someone’s success or performance raises feelings of appreciation. Listening instead of talking allows people express their ideas and at the same time they get to share quality time together, which is rare in this hectic world. (Moore, 2022.) Poor management and supervision should not be accepted. Similarly, managers should not be mistreated. The quality of working life improves when everyone feels valued. Decisions must be made fairly, and everyone should be treated in the same way regardless of time, place and

decisionmaker. Injustice can even lead to sick leave and resignation. (Hakonen et al., 2014, p. 245-246.)

Giving feedback is one of the most important ways to reward, it is also affordable. Everyone wants to know how they have succeeded in their work, what is expected of them and what needs to be done to achieve the set goals. The feedback tells you how successful your work has been. If it is not received or it is vague, there may be a feeling that the work input is not valued at all. Positive feedback creates enthusiasm and energy for the recipient. (Hakonen et al., 2014, p. 251.) Contrary to what has sometimes been taught, the “sandwich” model is not a good way to give constructive feedback. The sandwich model means giving positive feedback before and after giving the constructive feedback. The idea behind this model might be human, but it is better to be upfront, clear, and transparent with the feedback than to create confusion for the receiver. (Hassell n.d.) Constructive feedback is encouraging when given correctly. Constructive feedback should be given between the two without the presence of others. One of the most important things in giving feedback is listening to the other party. Before giving constructive criticism, positive feedback should be given to build trust between the giver and recipient. Feedback should relate to human output or activity, and it should never be about someone’s personality. Critical comments should be presented objectively and constructively. The person giving the feedback should tell you how things should be in the future. What matters from different activities and how the recipient could act differently, and he or she could benefit from this. Post-wisdom is futile, and feedback should be given in time so that corrective actions can be made in time. (Hakonen et al., 2014, p. 254-255.)

Development and training possibilities

People are the heart of the organization. Many employees want the opportunity to advance in their career and this plays an important role when employee chooses a company. Development and advancement opportunities make the workplace more attractive and more competitive. This is an important part of the job in addition to salary. Opportunities for education and development are

important factors in maintaining one's own wellbeing and work satisfaction. There are different types of employees. For some, work is just a source of money so you can pay bills, support your family, and enjoy your free time. For others, a career comes first where advancement and development are one of life's top priorities. (Hakonen et al., 2014, p. 262.) Employees who pursue professional development in their careers are more satisfied with their job and tend to have higher productivity. Development opportunities are a glimpse into the future, while on the other hand training meets the needs of the employee and the company at that moment. (Meyer, 2022.)

2.2 Motivation

The word "motivation" comes from the Latin word "moveo" and refers to moving. Motivation is something that sets a person in motion and strives towards a goal. (Rasila & Pitkonen 2010, 5). Defining the concept of motivation is challenging. Motivation is a complex and dynamic process that combines a person's personality, rational and emotional factors, and the social environment. Motivation is an interesting research subject when looking at human behavior and inner experience, but it is also a particularly challenging research area in organizational psychology. In working life, people are constantly looking for different ways to encourage people to perform better than before by reforming the pay system or making teamwork more efficient. (Liukkonen, Jaakkola & Kataja 2006, p. 10-11.) Motivating is one of the biggest challenges in management. When a person is well motivated, work is not only efficient and high-quality, but also done with joy and enthusiasm. When an employee is motivated, the performance is better and, ever better, the employee enjoys the work done. (Rasila et al., 2010, p. 5-6.)

There are different motivation theories, for example Edward Deci's self-determination theory, Maslow's hierarchy of needs and Herzberg's two-factor theory. In this thesis the focus is on Herzberg's two-factor theory.

According to Edward Deci's self-determination theory there are two ways to be motivated, intrinsic and extrinsic. The extrinsic motivation is reactive. The motivator can be positive or negative, for example, a desire for reward or a fear of punishment. Striving for an external goal is often found compulsive and can therefore feel repulsive for the employee. This can reduce well-being. Intrinsic motivation on the other hand, is proactive and the desire, to make inspiring things, springs from the person within. When employees are internally motivated, they are not burdened and are full of energy. Extrinsic motivators may reduce intrinsic motivation. (Mayor & Risku, 2015.)

According to Maslow's hierarchy of needs, the needs that guide human activity form a hierarchy. When a person has a need, she or he takes action to fulfill this need. According to the theory, higher level needs are more difficult to be fulfilled if lower level needs are not sufficiently satisfied. (Rasila et al., 2010, p. 36.)

Frederick Herzberg's two-factor theory was designed in year 1959. Herzberg identified two factors that determined employees' work attitudes and performance levels, called motivational and hygiene factors (see table 2). Motivation factors are internal factors that will increase employees' job satisfaction. Hygiene factors are external factors that prevent employee dissatisfaction. Hygiene factors alone do not lead to job satisfaction, but when motivational factors are taken into consideration as well the employee performance and productivity will increase. (Wan, Tan & Mohammad, 2013, p. 19.) These two factors are dynamic and constantly interacting, highly changing and relative to the employee (Nickerson, 2021).

Table 2. Herzberg's Motivators and Hygiene Factors (Nickerson, 2021).

Motivators	Hygiene Factors
Performance and achievement	Salary
Recognition	Working conditions
Job status	The physical workspace
Responsibility	Relationship with colleagues

Opportunities for advancement	Relationship with supervisor
Personal growth	Quality of supervisor
The work itself	Policies and rules
Improving these factors helps to increase job satisfaction	Improving these factors helps to decrease job dissatisfaction

Motivation factors are important and needed to improve job satisfaction. Motivators satisfy the needs for growth and self-actualization. Nickerson (2021) has presented the following motivators that are significant job satisfaction boosters:

- Advancement
- The work itself
- Possibility for growth
- Responsibility
- Recognition
- Achievement.

Hygiene factors decrease job dissatisfaction and are extrinsic to the job, and function in the need to avoid unpleasantness. Nickerson (2021) has also presented the following hygiene factors that relate to contextual factors:

- Interpersonal relations
- Salary
- Company policies and administration
- Supervision
- Working conditions.

An intrinsically motivated person is motivated by the object of work. Work rewards its creator, and the reward is the feeling of success, the pleasure that comes through it and the joy of progress. Internal motivation feeds itself. Extrinsically motivated people put in effort at work, for example, for salary or recognition. External motivators get employees motivated quickly, but

motivation is not very long-lasting, and employees do not get joy or enthusiasm in the same way as from internal motivation. (Rasila et al., 2010, p. 27.)

Internal motivation can be led in different ways. Martela, Jarenko and Järvillehto (2015) point out four different ways of managing internal motivation: management of voluntariness, management of ability, management of cohesion and management to do good.

In the management of voluntariness, the employees get to do work that they are really interested in. The work is inspiring, and the employees appreciate what they do, so the work is not forced. Voluntariness can be divided into three parts: the self-determination of goals, the freedom of action methods, and the excitement of doing things. Self-determination of goals means that the employees perceive the goals at their own and are ready to be committed to them. The manager and employee must together find the right kind of goals for the employee, which are worth pursuing from the point of view of the organization and the employee. (Martela et al., 2015, p. 69.) The freedom of action methods is the freedom to decide yourself how to proceed towards the agreed goals. In some organizations, the execution of work is regulated very precisely, and this may frustrate the employee, because then the employee is not allowed to do the work as the employee sees fit. (Martela et al., 2015, p. 70.) The excitement of doing things is a form of motivation where doing is so nice that it can be done from morning to night. Employees throw themselves completely into the working process without thinking whether it is somehow productive or not. Simply because it is enjoyable. (Martela et al., 2015, p. 71-72.)

Management of ability means that the employees have the opportunity to use their own skills and the employees feel that they are good at what they do, that is, they manage their work well. Management of ability is also the experience that the employee can move things forward and achieve results. The employees also feel that their own abilities are growing, and their skills are increasing. (Martela et al., 2015, p. 98.) Feeling in control of one's own work is the foundation on which enthusiasm can be built. The feeling of control is formed by

how well the employees perceive their skills in relation to their work and what kind of influence the employees have on their own work. (Tiililä, 2016, p. 56-57.)

In management of cohesion, mutual spirit is important so that employees are all part of the same community and care about each other. Appreciation and caring of the management are also perceived as important. The company's operations must be based on reliability and must be fair, so that one can trust that the decision will be made fairly, and promises will be kept. (Martela et al., 2015, p. 119.)

People are constantly more interested in company values and culture. Employees want their contribution to have a positive impact on the world. In the company, management to do good takes place through three channels: mission, impact and helping. (Martela et al., 2015, p. 142.)

2.2.1 Manager's point of view

Company managers have always been interested in the factors of influencing the motivation of their subordinates. The task of managers and supervisors is to guide employees to find and experience the meaning of work. This way employees can experience passion and fulfillment at work and tasks are not done just for money. (Liukkonen et al., 2006, p. 10, 102.) Managers cannot be motivated on behalf of their subordinates. However, they can influence the motivation of all the subordinates to learn things and develop their skills. Kupias, Peltola and Pirinen (2014) have presented that motivation can be strengthened in the following ways:

- Discussing learning related issues with employees
- Listening to concerns related to competence development
- Brainstorming solutions to concerns together
- Realizing the advantages or good aspects of learning
- Making sure that there is enough time and other support to develop the necessary skills
- Encouraging to ask for help

- Acting as an example of an eager and persistent learner.

According to Kupias et al. (2014) weakening motivation is much easier than strengthening it. In order to prevent a weakening of motivation, the supervisor must set an example, justify why something is being made and how and from where the employees can get support with the change. The manager should encourage his or hers subordinates and strengthen their belief in the implementation and success of the changes.

The managers' task is to build a culture of discussion based on trust and openness. The managers benefit from the fact that they know their subordinates well and thus know what kind of goals and objectives the subordinates strive to achieve in their career. It is also important that the managers recognize the factors that make the subordinates frustrated and decrease their motivation. (Mayor & Risku, 2015.)

2.2.2 Employee's point of view and wellbeing

Looking at motivation from any angle, an employee faces both failure and success. Failure and success both have a cognitive learning effect and an immediate motivational effect. The learning effect includes the view of change as a factor leading to success, and the motivational effect includes the assumption that success has a greater reinforcement value than failure. When an employee has experienced success for the first time, the expectations are higher of experiencing it in the future as well. Every experience is important when an employee strives for success. (Provitera, 2012, p. 117.)

People are motivated when they achieve the set goals. However, a goal does not motivate if there is no goal or if achieving the goal is too difficult or even impossible. The set goals must be clear and concrete from the employee's point of view, so that they can be progressed towards and achieved. The goals must also be realistic. Goal-oriented cooperation motivates the entire team. (Rasila et al., 2010, p. 23-24, 30.)

If a company is ready to invest in occupational wellbeing, it is a sign that the company cares about its employees. This also improves work motivation. When employees feel well and motivated, they also get more done and the quality of work often improves. By investing in wellbeing at work, a company often also increases productivity. Maintaining and developing occupational wellbeing is a collaborative effort between several actors. In addition to employees and employers, occupational wellbeing is also taken care of by occupational health and safety units. (Sinokki, 2016.)

In working life, we are now talking about a new phenomenon called quiet quitting. It means that employees decide to sharply limit their work so that they only do the required minimum amount at work and do not agree to exert themselves beyond expectations. Work e-mails are not read in the evenings, and work-related matters are not thought about outside of work. The phenomenon has been discussed a lot on social media lately. Working life is seen as brutal and many have experienced burn out. People want to stick to the limits and value normal working days. People do not want to sacrifice everyday life for work, and work is no longer the main thing that defines a person. There are many ways to approach work and of course it is also great if you find a job that becomes a passion, something you want to give your all to, but for many, work is just a tool that allows you to do other things, such as hobbies and a comfortable family life. Especially young people who are in a new workplace often feel the desire to show off and therefore work more. The desire to succeed, to get a promotion and a salary increase is great. (Erkko, 2022.)

3 Research execution

3.1 Research methods and data collection

The thesis combined both quantitative and qualitative research methods. Research material was collected by Webropol survey for employees, interview for two managers and one employee, who has been working for both positions as a manager and as a specialist/employee. Both aspects wanted to be brought out in this thesis.

Table 3. Timetable for the research execution.

	March-April 2022	May 2022	October 2022	November 2022
Survey for employees	The survey was sent to employees via Webropol.	The answers to the survey were opened with the help of tables and figures.	Analyzing the results.	Drawing conclusions based on the survey.
Interviews with managers			The interview questions were sent to the managers two days before for familiarization. Interview. Transcription of interviews.	Analyzing the answers and drawing up conclusions.

Interview with employee				Interviewing the employee, transcribing the answers, and analyzing the answers into conclusions.
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The questionnaire for employees consisted of 15 questions. The aim was to keep it sharp and short to get more responds. The questionnaire was sent to 16 employees and 15 of them answered the survey. The employees were told in advance that answering the survey is completely anonymous. The response rate was very good: 93,7%. Most of the questions were implemented using visual analogue scale (VAS), but in one open question the participants were able to tell what motivates them at work. The questionnaire was presented to employees from 31 March 2022 to 30 April 2022.

The interview for managers contained 5 questions. The interview questions were sent in advance for familiarization, in order to make possible for the participants to prepare themselves for the interview. The interview was conducted as a thematic interview. The interviews were conducted remote using Microsoft Teams software on 11-12.10.2022. Each interview lasted for 16 minutes. At the beginning of the interview, the purpose of the research was explained and permission to record the interviews was requested. The interviewees were told what information about them would be presented in the research. The recordings of the interviews were destroyed immediately after transcribing the results to this thesis. The timetable can be seen from table 3.

After the survey of the employees and the interviews with the managers, the desire and need arose to interview an employee who, within the last year, has been both in the role of a subordinate, or in this context, an employee, and in the role of a manager. Through the interview, more findings related to rewards and motivation were obtained. The aim was also to highlight what motivates a person in the role of an employee and in the role of a supervisor and do the experiences differ much. The interviewee was also asked about wellbeing and coping at work. Six questions were asked dealing with salary structure, rewarding and motivation. The interview lasted for 24 minutes. The last interview was also conducted via Microsoft Teams meeting on 22.11.2022. The interview was recorded, transcribed and the results were opened for presentation. The recording and notes were then deleted.

Questionnaire

The idea behind a questionnaire is very simple. When someone wants to know someone's opinion or thoughts on something it is reasonable to ask them. (Tuomi & Sarajärvi, 2018, p. 84) Before building up the questionnaire, it is important to understand the aims of the research. Researchers often design the questions before having the whole picture of what they want from the questionnaire. This way researchers might not get the type of information from the questionnaire that they want. (Dawson, 2009, p. 89.)

Questionnaires are an effective way to collect data. In the old days questionnaires were executed on paper, now they are almost always electronic. Older people might prefer the traditional paper questionnaire rather than electronic one. On the other hand, younger people have grown up with electronic devices and therefore they are more agile with electronic questionnaires. (Valli, 2018, p. 92.)

Interview

In qualitative research, different types of interviews are the most used methods of collecting data. There are several types of research interviews. Different interview types can be distinguished from each other based on their

controllability, and some types are very free, and some are very structured. Different interview types include structured interview, semi-structured interview, thematic interview, open interview, and in-depth interview. (Puusa, Juuti & Aaltio, 2020.) The interview method used in this thesis is thematic interview. The methodological feature of thematic interview is that some of the main points for the interview have been decided in advance. This way the researcher can control the interview. Thematic interview is still very flexible and free-form, and the examinee is encouraged to speak very openly about the topic. (Puusa et al., 2020, p. 112.) The advantage of thematic interview is that the researcher can refine and deepen the conversation based on the answers of the interviewees. (Tuomi & Sarajärvi, 2018, p. 88).

3.2 Data analysis

Quantitative research is based on numerical analysis made with various statistical programs. Qualitative research does not produce the same numerical accuracy of relationships and differences between characteristics as it is possible to get quantitative research in different ways. (Vilkka ,2021.)

Qualitative research material is often rich and versatile, it is often collected in several different stages and with different methods. The research material is analyzed throughout the research process. The dialogue between the data collection and analysis phases increases the flexibility of the research and at the same time it enables changes to be made in the middle of the research process. This means, for example, that the researcher can add a new person to the interviewees in order to be able to elaborate in the discussed theme more deeply and from different angles. (Puusa et al., 2020.) This also happened during this research. After the survey and interviews, one more person wanted to be interviewed, so that perspectives could be brought out more deeply.

There are numerous scale measurements that can be used, but in this thesis the focus is only on the following ones: Visual Analogue Scale known as VAS and open questions.

Visual Analogue Scale

A newer version of the Likert Scale is the VAS meter. VAS comes from the words Visual Analogue Scale. The VAS meter has been developed to measure subjective things such as pleasure, pain, and opinions. VAS meter is very accurate and suits for analytical and precise people. (Valli 2018, p. 110.)

Open-ended Questions

Open-ended questions can be analyzed statistically. Answers just need to be categorized into groups. One advantage of using open-ended questions is that there can be good ideas among the answers and respondents are able to bring up their own opinion. The downside to open-ended questions is that they are easily left unanswered, and the answers are superficial or inaccurate. They are laborious to analyze because classifying responses and calculating results takes significantly more time than interpreting ready-made alternatives. (Valli, 2018, p. 114.)

4 Results

4.1 Employees' opinions about the reward system and what motivates them

In this section the research findings are reviewed. Unraveling the results starts with the survey that was presented to the employees. The questions and answers are reviewed one by one.

The first question asked if the respondents had been employed by competitors. 15 answers were received and seven out the 15 have been working for competitors, so almost 50%.

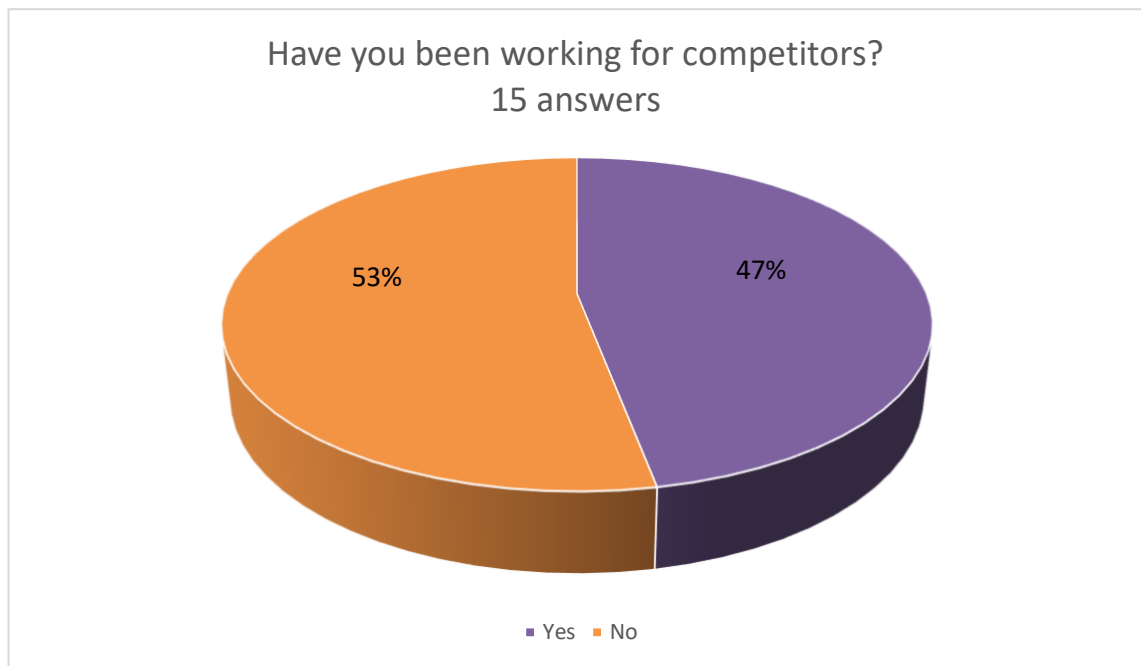


Figure 2. Employees who have been working for competitors.

The second question asked how satisfied respondents are with their employer. 15 responses were received. The scale was from 1 to 10. One meaning "very dissatisfied" and 10 meaning "very pleased". The minimum value is 5, maximum is 10, average 7,7 and median 8.

Table 4. Employees' satisfaction with the employer.

Number of respondents	Min	Max	Average	Median	Deviation
15	5,0	10,00	7,7	8,0	1,3

The third question asked, “Would you recommend your workplace to others?” The answer was unanimous among the respondents and all 14 respondents would recommend the workplace to others. One of the respondents did not answer this question at all but answered all the other questions.

The fourth question asked if the respondents experience feelings of success at work. The range was from 1 to 10. 1 meaning “not at all” and 10 meaning “very much”. The minimum value is 4, maximum is 9, average 7,4 and median 8.

Table 5. Employees’ sense of success at work.

Number of respondents	Min	Max	Average	Median	Deviation
15	4,0	9,0	7,4	8,0	1,4

In the next question we wanted to know if respondents had applied any other jobs within the last two years. 5 out of 15 answered yes and have applied another job.

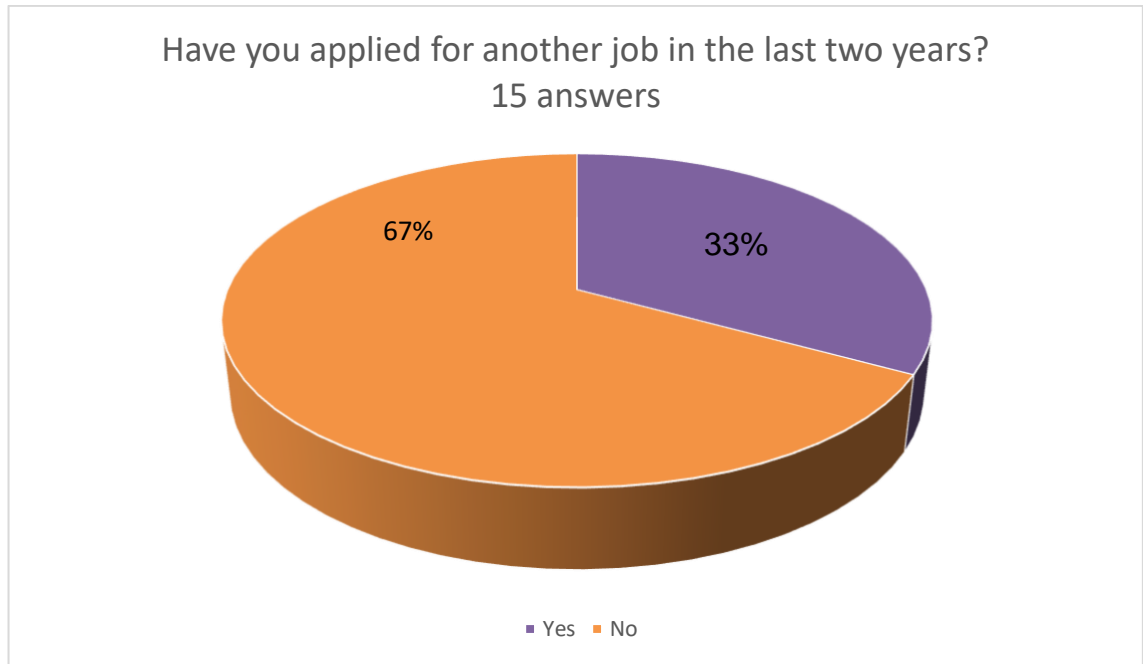


Figure 3. Employees who have applied for another job within the last 2 years.

The next question asked if the respondents would change their jobs if they got a job offer with a better salary. 15 responses were received. 20% would not change their job, 27% would and 53% cannot say.

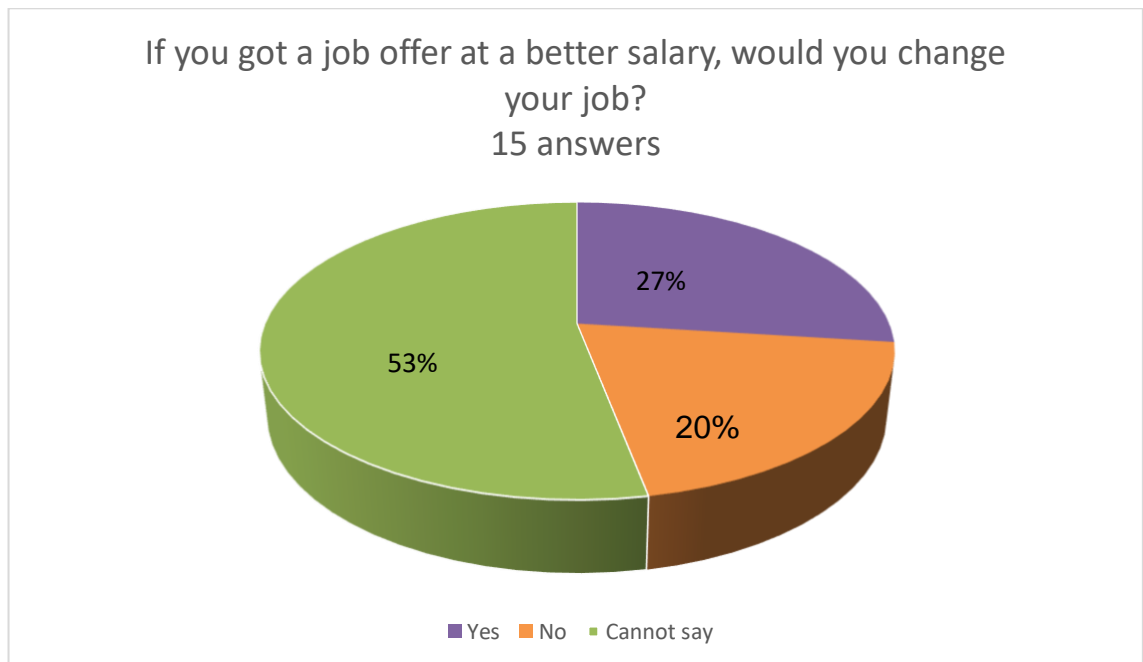


Figure 4. Employees who would change their jobs for a better salary.

The next question asked if respondents get enough support to do their jobs according to set goals. The range was from 1 to 10. 1 meaning “not at all” and 10 meaning “very much”. The minimum value is 3, maximum is 10, average 6,6 and median 7.

Table 6. Experience of employees to get support at work.

Number of respondents	Min	Max	Average	Median	Deviation
15	3,0	10,0	6,6	7,0	2,0

The next question asked if the current rewarding system motivates the respondents. 14 out of 15 respondents think that the current reward system does not motivate.

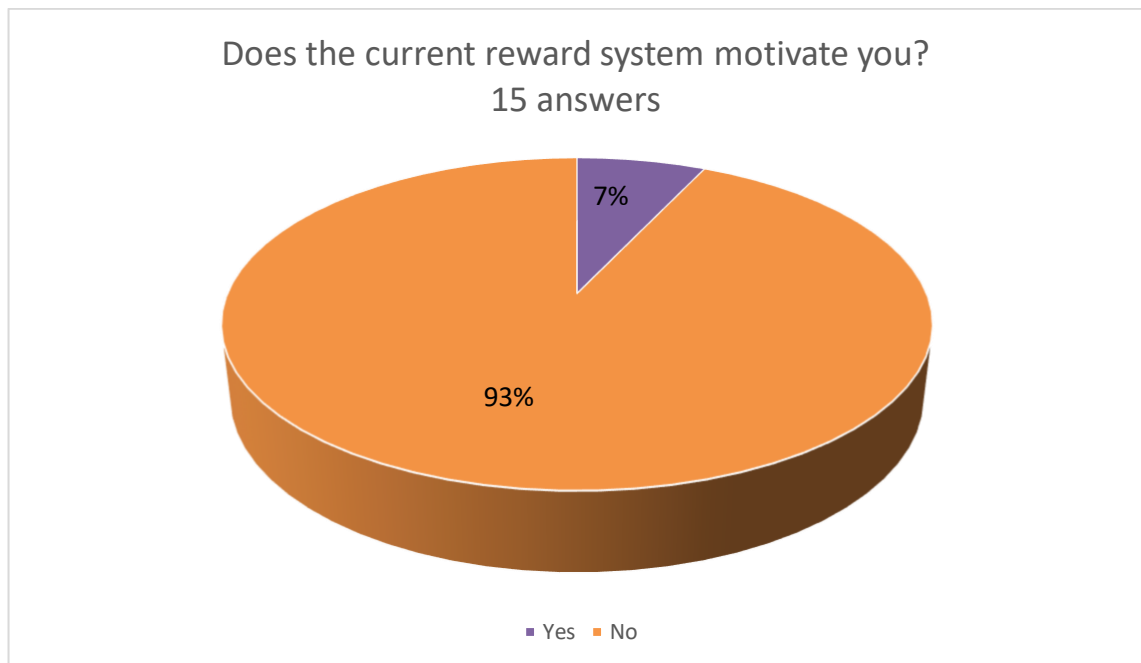


Figure 5. The current reward system does not motivate.

The next question asked if the current rewarding system is fair. 15 responses were received. Again only 1 out of 15 answered “yes”.

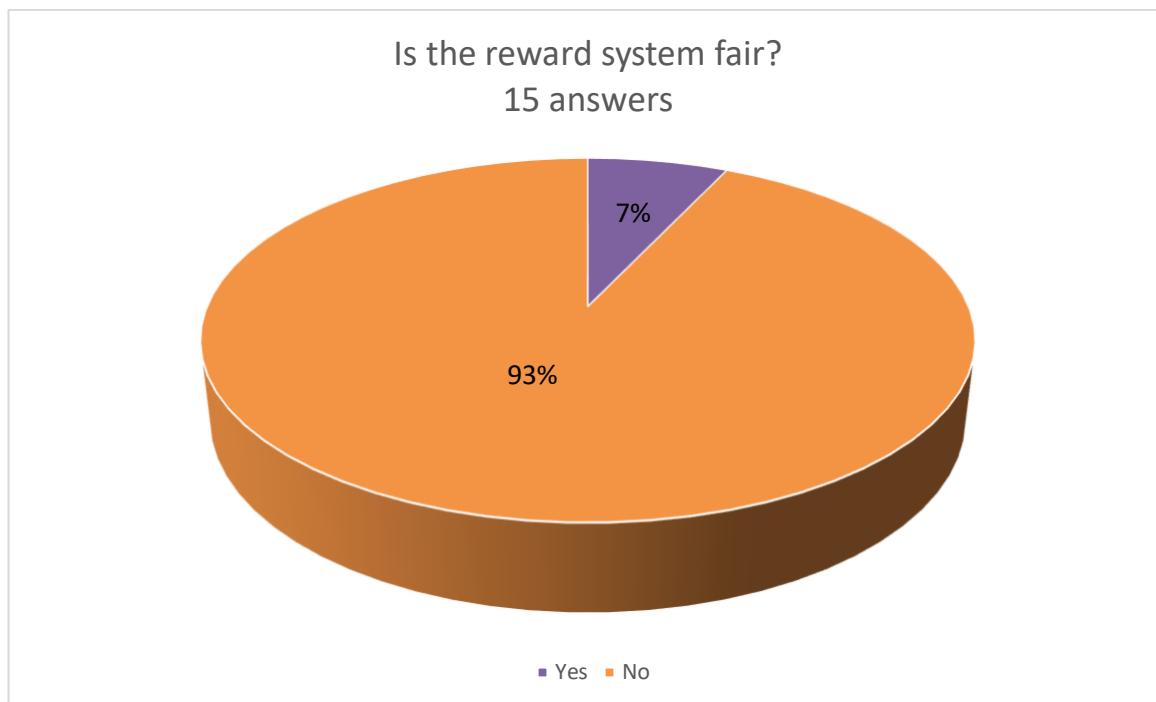


Figure 6. The current reward system is nor fair.

The next question asked if the respondents are satisfied with the current reward system. The range was from 1 to 10. 1 meaning “not at all” and 10 meaning “very much”. The minimum value is 1, maximum is 8, average 4,3 and median 4.

Table 7. Employee satisfaction towards the current reward system.

Number of respondents	Min	Max	Average	Median	Deviation
14	1,0	8,0	4,3	4,0	2,0

The next question was about respondents’ opinion on the pay rate and if it should be raised. The range was from 1 to 10. 1 meaning “completely disagree” and 10 meaning “completely agree”. The minimum value is 5, maximum is 10, average 9,1 and median 10.

Table 8. The basic salary level should be raised.

Number of respondents	Min	Max	Average	Median	Deviation
15	5,0	10,0	9,1	10,0	1,5

The next question was about whether or not should the reward system be developed. The range was from 1 to 10. 1 meaning “completely disagree” and 10 meaning “completely agree”. The minimum value is 6, maximum is 10, average 9,3 and median 10.

Table 9. The reward system should be developed.

Number of respondents	Min	Max	Average	Median	Deviation
15	6,0	10,0	9,3	10,0	1,1

The next question was about whether or not should the performance rewards be developed. The range was from 1 to 10. 1 meaning “completely disagree” and 10 meaning “completely agree”. The minimum value is 3, maximum is 10, average 9,2 and median 10.

Table 10. The performance rewards should be developed.

Number of respondents	Min	Max	Average	Median	Deviation
15	3,0	10,0	9,2	10,0	1,8

The next question was the only open question. The question was: “What motivates you to perform better in your job?” 14 responses were received. The answers received were diverse, but certain things were repeated such as a

sense of success, a supportive manager, monetary rewarding, and team members. 8 out of 14 respondents brought up salary or rewarding. 5 out of 14 are motivated by the feeling of success.

Table 11. Things that motivate employees.

The feeling of success. Acknowledgment from the supervisor. The desire to succeed, develop and advance in your career. Possible salary increases and performance bonus.
Feedback, salary, and opportunities for advancement.
Lovely work mates.
The feeling of success and the encouragement of the team members would motivate even more if it could be used to make something concrete, for example financially.
An open salary discussion and the feeling that good performance at work benefits, for example, in terms of salary or career advancement. This is not currently the case.
Financial reward, keeping goals the same level, giving thanks, sharing successes, and freedom.
Encouraging supervisor, open work atmosphere and good co-workers.
Salary and achievable goals.
The fact that immediate supervisors and the people above them, have a real understanding and idea of work tasks, workload, time, etc. and that they are communicated.
Great team and supervisor.
Money, recreational activities, or other activities that deviate from the regular routines. Quality training to develop skills, good co-workers, and a healthy competitive spirit.
Success in one's own work and an adequate salary for it.

Fair, equitable and transparent remuneration. A good, relaxed work atmosphere and the opportunity to influence the content of your own work and your own doing. Reasonable and achievable goals and a higher-level understanding of doing.

Good feedback.

The last question wanted to know if the respondents feel that they have opportunities to advance at their work. 15 responses were received. 33% answered “yes”, 40% “no” and 27% “cannot say”.

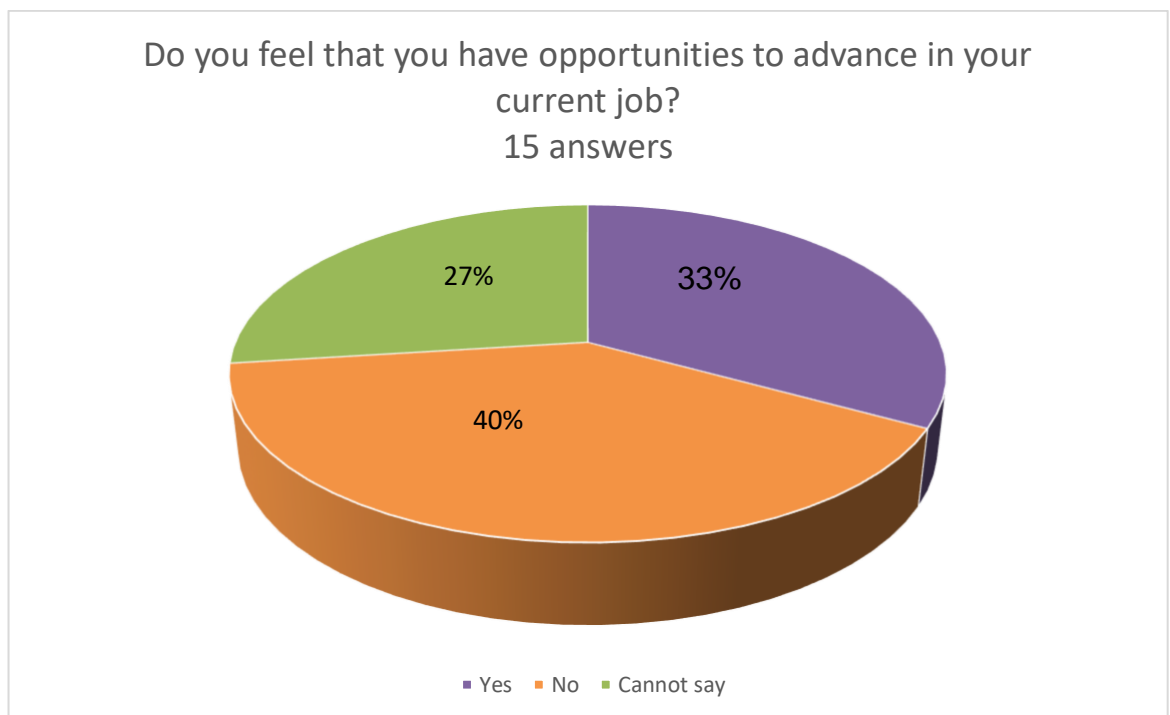


Figure 7. Employees' thoughts regarding advancement within the workplace.

One employee was interviewed separately for the research, who was asked six questions related to the salary structure, rewarding, motivation and wellbeing at work. The questions can be seen from appendix number 3. According to the interviewed employee, the current salary structure could be different. Interviewee does not recommend commission-only pay, as it could create more stress in an already stressful job. On the other hand, commission pay could also

motivate some employees, and commission pay could be suitable for these employees.

In the interviewee's opinion, a good reward system motivates employees to do more, and the compensation to be rewarded is reasonable and such that one can really benefit from it. Rewarding should take place throughout the year. Employees covered by the reward system should also know what the goals are right from the beginning of the year, so that they can do their work in accordance with the requirements. According to the interviewee, employees should be involved in planning the reward system, so that the employees' voices can be heard.

The interviewee is most motivated by satisfied customers and the fact that the customers' dreams come true. The interviewee is also motivated by a positive result compared to other employees. In the past, making a result and performing well at work motivated the employee more than now. Today, the most important thing for the interviewed employee is helping customers. The employee feels that he must work enough every month to earn his own salary. To quote the words of the interviewee: "I do enough that I dare to accept my salary".

The interviewee has worked for the last year, both in the role of an expert/employee and in the role of a manager. The interviewee was asked if he was motivated by different things in different roles. In the role of a manager, the interviewee was motivated by being able to learn new things and to teach his subordinates what he has learned. The interviewee was not so much motivated by subordinates' good performance in relation to goals, but more by seeing how subordinates grow and develop in their career. In the role of an employee, however, the interviewee has always been motivated being among the best in the team, but there has never been a need to be the best. If making a result was the only motivator, the development of motivation has drifted in the wrong direction. Motivation should also come from other sources than just the result. According to the interviewee successes feed on themselves. When there are lot of successes, it is even possible to get into a state of flow, where more

successes accumulate all the time, and the work progresses well and in accordance with the goals. If the interviewee has failed and manages a little less well, he has gained faith in his own doing from the good results of others. The successes of others also motivate the interviewee, and if the team succeeds the whole team rejoices together.

In the opinion of the interviewee, the essential thing in terms of coping at work is that the employee feels that his work is suitably stressful. The employee cannot constantly be too busy or too calm at work. The working time must be enough to complete the work, and the weekday evenings or weekends must not be used for work, recovering from work, or preparing for the next work week. It is important for the interviewee that he can be his true self at work and that employees can disagree on things if it is appropriate and dare to say one's opinions out loud. In the interviewee's opinion the flexibility of doing the work is very important. The interviewee is motivated by the fact that he can do work from anywhere and manage the calendar himself according to his own schedule. In terms of wellbeing at work, the interviewee feels that coworkers with whom it is nice to spend time are important. He also highlights the importance of occupational health care in terms of physical and psychological problems. Finally, the interviewee raised an important point: doing work does not define who he is.

The interviewee feels that he is committed to his employer and does his job well, being loyal to his employer. The interviewee feels that working in the current company feels good and that the basic things are working well. As long as the synergies between the employee and the employer work, the employee is committed to his employer. The interviewee states that, it is difficult for him to imagine that he will be working for this employer his entire career, let alone working in the same field. However, the interviewee does not want to rule out the possibility of having the same employer for his entire working career.

4.2 Managers' thoughts on the reward system and what motivates them

Next, the answers to managers' interviews will be opened. The interviews were recorded, and the answers were opened based on the recordings. The answers to the questions have been opened one at a time. Five questions were asked to the managers of the case company to be interviewed. The questions can be found in appendix number 2.

The interviewees are not completely satisfied with the current salary and reward model. The interviewees feel that it is difficult to influence the salary of subordinates, because they do not have full decision-making power regarding the salary. The reward model is very subjective, and it should be more lenient. Successes should be rewarded, even those employees who are not necessarily the best in their team but have still performed in accordance with the set goals. Everyone who has reached the goals should be rewarded and there should be more money to distribute. The employees should also be rewarded for having done what was asked from them and not only if he or she has exceeded the goals. Rewarding more than once a year would motivate employees more. Instead of rewarding just individuals the entire team should be rewarded when succeeding. The rewarding process should be more transparent.

The interviewees feel that they can influence the motivation of employees. The most important thing is person's own optimistic, positive, and encouraging attitude. Empathy is perceived as important. People must be considered as individuals and personalities. People must understand that life outside of work has a lot of influence to life at work as well.

The most important thing at work is maintaining wellbeing and motivation because it affects absolutely everything. It improves the atmosphere and thus also affects the result. Sharing a positive atmosphere instead of focusing on the mistakes and difficulties.

Interviewees are motivated by successes, both their own successes and the successes and development of their subordinates. Good and constructive

feedback gives a lot for the interviewees. The interviewees strive to do their job just as well regardless of the salary. Of course, a salary would bring praise and would be welcome, but the salary is not the main reason why the interviewees want to succeed in their work.

4.3 Research reliability and validity

When thinking about the reliability of qualitative research, attention must be paid to three things: credibility, reliability and ethics. The credibility of the research can be measured by the extent to which the general public accepts the results of the research and trusts the data collection and careful analysis. Reliable research is one in which the researcher is able to convince the reader that the researcher has used the right approaches, reasoning and methodology to solve the research problem. The progress of the research must be described step by step and possible errors must also be highlighted. Research ethics mean that the research must follow ethical principles. The research must bring about good, and it must not endanger the lives of the persons who are the subject of the research. (Puusa et al., 2020.)

Any data collected has some degree of error. The aim is to minimize the errors so that the data gives a more accurate description of the truth. In a survey research, error consists of two parts: random error and measurement error. Random errors are unpredictable that occur in all studies and are primarily due to sampling techniques. Measurement error is related to how well or poorly an instrument performs in a various population. No instrument is perfect, so errors may occur. (Litwin, 1995, p. 5-6.)

Validity is often defined as the degree to which an instrument measures what it claims to measure. The validity of a research instrument assesses the extent to which the instrument measures what it is designed to measure and to which the requirements of the scientific research method have been followed in producing the research results. (Mohajan, 2017, p. 70-71.)

In this thesis the theoretical framework is based on the literature and on the Internet sources. The research results are compiled based on the questionnaire and the interviews. The interviewees were asked for a permission to record the interviews and the names of the interviewed persons or the company they work at are not mentioned by name. The questionnaire was also anonymous. All the research conclusions are based on researcher's own interpretations, which are based on the results obtained from the survey and interviews. This research, results and conclusions only apply to this case company, respondents, and interviewees. The results of this study cannot be generalized, as the subject of the study is only the case company in question.

5 Conclusions and recommendations

5.1 Conclusions

This research aimed to find out how satisfied the employees are with the current reward system and how it could be developed. The research also wanted to find out what motivates employees and managers. In the research, the main points were focused on the reward system and motivation, but questions about the salary structure and wellbeing at work also stood up.

The aim of the theory part was to map out what the reward system consists of, and which factors affect work motivation from the manager's and employee's point of view. In the theory part, the sub-areas of the reward system are first introduced and then motivation is familiarized.

In this research work, a need for reforming case company's reward system was found. A new, more agile, and fair reward system would increase motivation among employees. The research revealed that for some employees' salary and monetary rewards are the biggest motivator, while others are motivated by other non-monetary things.

This chapter reviews both conclusions and recommendations. Both are divided into subheadings according to the subject area. The subjects include salary structure, rewarding and motivation.

Salary structure

According to Nieminen and Tomperi (2008) salary must be suitable for each employee, and it must meet the expectations and requirements that have been pointed out to the employee. Based on the survey of employees, the respondents are currently not satisfied with the basic salary and the respondents feel that the basic salary levels should be raised (see table 8). One question asked if the respondents would change their job if they got a better salary (see figure 4), and 27% of the respondents would change their job for a better salary, but majority, 53%, cannot say and 20% would not change their

job. This means that salary is not the only thing that matters when choosing a job, there are other factors as well. According to the remuneration study commissioned by Mandatum (Palkitsemistutkimus, 2022) money motivates. Being rewarded arouses great positive emotions and is perceived as very motivating. Rewarding also increases the meaning of work. Remuneration can also influence, for example, the experience of the meaning of work. According to the interviewed employee, the current salary structure could be changed. However, the interviewee does not recommend a salary structure that works entirely on a commission model. He points out that commission model would not be a good combination with a stressful job, but he also states that the commission model could work for some of the employees. Based on the interview conducted with managers, managers do not have full decision-making power regarding the salaries of their subordinates, so the possibilities of influence are small for them.

Rewarding

The employees who responded to the survey are of the opinion that the current reward system is not motivating (see figure 5) or fair (see figure 6). The interviewed managers and employees share the same thoughts among those who responded to the survey and agree that the reward system should be developed.

According to the interviewed employee, a good reward system motivates the employee to do more. Peek (2022) highlights also the fact that employees who receive performance bonuses work more or even tend to feel that they are encouraged to work harder. Both the interviewed employee and the interviewed supervisors agree that rewarding should take place throughout the year. According to the managers interviewed, successes should be rewarded. Employees who have performed according to the set goals, even if they are not the best in the team, should also be rewarded. In addition to individual rewards, the whole team should be rewarded. Both the interviewed employee and the interviewed managers agree that the rewarding process should be more transparent, and the set goals should be known right from the beginning of the

year. In their book, Hakonen et al. (2005) also tell how managers should tell employees what the goals are and why they are being measured. Based on the survey, it is very alarming that some of the respondents feel that they are not getting the support they need to succeed and reach their set goals. This situation should be looked at and examined further (see table 6).

Employee and manager motivation

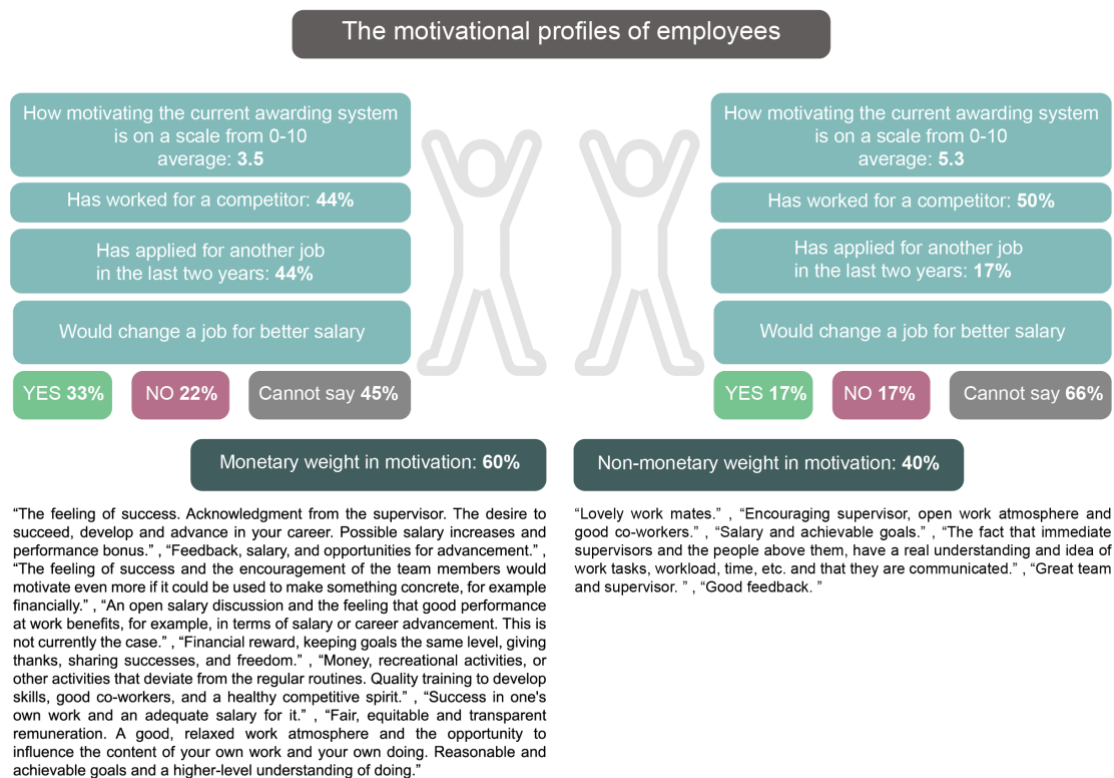
Employee motivation affects employee engagement and results. The feeling of success increases motivation and feeds success to grow even more. Based on the survey of employees the respondents experience feelings of success (see table 5). The survey had one open question asking, "What motivates you to perform better in your job?" Many respondents highlighted the feelings of success.

The importance of motivation repeats itself in the interviews with the managers. The interviewees feel that the most important thing in their work is the well-being of the employees and the ability to motivate them. The interviewees are also most motivated by success, their own and especially that of their subordinates. When the interviewed employee works in the role of a manager, he is most motivated by learning new things and sharing the new knowledge with his subordinates. In addition to his, he is motivated by the growth of his subordinates in their career. The interviewee is not so much motivated by subordinates' good performance in relation to goals. When working in the role of an employee the interviewee has always been motivated being among the best in the team. So, getting a good result and performing well has always motivated him. Success often repeats itself, and when this happens, it is even possible to get into flow state, where doing the work according to the goals is successful and progresses well.

Nine out of 15, so 60%, of the employees who responded to the survey cited monetary compensation as a motivating factor (see table 11). The interviewed managers said that a salary increase would certainly be welcome, but the salary is not the main reason why they want to succeed in their work. The employees

who responded to the survey can be divided into two different categories, those who are motivated especially by monetary rewards and those who are motivated by non-monetary rewards, such as success, coworkers, and good feedback.

The employees who responded to the survey have been divided into two different profiles based on the answers to the open question (see picture 1). Those respondents who brought up monetary rewards in some forms are classified under a role where the focus is on monetary matters and those respondents who did not mention monetary matters in any way are classified under a role where the focus is on non-monetary matters. Through classification, the aim is to find out whether employees who emphasize monetary rewards are more sensitive to changing jobs in pursuit of a better salary than employees who emphasize non-monetary rewards. A similar comparison was made with the following questions: "is the current reward system motivating", "have you worked for a competitor", "have you applied for another job within the last two years". The respondents who have monetary weight in motivation gave a lower rating on average for the current rewarding system in the aspect of motivation. The average rate was 3.5 whereas the average rate on the other group was 5.3. More employees from the non-monetary group have worked for a competitor than from the monetary group. More employees from the monetary group have applied for jobs elsewhere in the last two years than from the non-monetary group. The majority of both groups cannot say whether they would change jobs for a better salary. More employees from the monetary group would be willing to change jobs for a better salary than from the non-monetary group.



Picture 1. The motivational profiles of employees.

Managers' task is to guide their subordinates to find and experience the meaning of work (Liukkonen et al., 2006). Based on the interview conducted with managers, managers can influence the motivation of their subordinates. The most important thing is to set an example with your own optimistic, positive, and encouraging attitude. As Kupias et al. (2014) point out, managers cannot be motivated on behalf of their subordinates.

40% of the employees who responded to the survey feel that they do not have the opportunities to advance in their current job. 27% of the respondents cannot say if they have advancement opportunities in their current job (see figure 7). Opportunity to advance is one of Herzberg's motivator factors (see table 2). Three of the employees who responded to the survey answered that the advancement opportunities motivate them to do their work better. Based on the answers, it can be concluded that employees do not have clear information about advancement opportunities within the company. This lowers the

motivation of those individuals who bring up advancement opportunities when asked what motivates them to perform better at their job.

5.2 Recommendations

The development proposals related to the salary structure, reward system and motivation are being reviewed next. The recommendations are based on the researcher's own reflection based on theory and research results.

Salary structure

Based on the survey and the interviews, people are not completely satisfied with the salary levels at the moment and the basic salary levels should be increased. A commission-only salary is not suitable for a stressful work, but the salary structure could be changed so that on top of the base salary there would be a commission-based compensation in proportion to the results achieved. However, the base salary must be at a sufficient level so that the employees can cope even in unexpected situations such as long sick leave or unexpected changes in the market. There could be a guaranteed salary, which the employee would get in any case. On top of this comes a commission or an incentive bonus which is based on the results achieved. Results should be measured based on pure sales, but also, for example, good customer satisfaction should be rewarded. With this model, the employee is encouraged to do his or her job well, and if the employee succeeds, the employee also receives a reward for it. An employee who is motivated by success or monetary compensation would benefit from this model. With guaranteed salary, employees motivated by non-monetary issues are also considered.

Rewarding system

Based on the interviews, the two managers and one employee all agreed that the rewarding should happen more often, and not just once a year. Performance pay should be developed so that instead of a bonus paid once a year, rewards would be given in a shorter period, for example quarterly.

Employees would be more motivated and reaching goals would be more realistic for many. Shorter term rewards are also more humane and empathetic. A year is a long time, and anything can happen during that time. The year can start excellently, and the employees can be completely on target in June, but if the employee falls ill, the market goes quiet or something surprising happens, reaching the goals may no longer be realistic after a good start to the year.

One-time bonuses should be considered as one form of rewarding. Employees could be rewarded with monetary or non-monetary rewards if, for example, the employees come up with a new idea that benefits the entire team or participate in organizing a joint team activity.

The required performance goals must be sufficiently clear, and supervisors must communicate them precisely to their subordinates, so that subordinates know for sure what needs to be done for the performance bonuses to be achievable. If the set goals change during the year, the changes must be informed immediately to the subordinates. The measurement and monitoring of the goals to be followed must be seamless so that nothing is left to guesswork. Employees should also be included in the planning process, whether it is salary or rewarding that should be developed.

Motivation

Different things motivate different people, as can be seen from picture 1. An employee's motivation can be influenced by rewards, for example, but motivation comes from within everyone. Internal enthusiasm, interest, and fire to do work are needed alongside various monetary and non-monetary form of rewarding. The previously presented development proposals related to the salary and rewarding system increase employee motivation.

Career advancement opportunities are also seen as something that increases work motivation. Advancement opportunities should be reported regularly within the organization. Advancement opportunities should also be included in the development discussion between the manager and the subordinate. The

manager can plan together with the subordinate regarding career advancement. It is important that the employee knows what choices he or she can make to get the opportunity to progress to a certain destination. If discussions like this are actively involved and career advancement is possible, good employees will be retained and they will not look for work elsewhere in the hope of advancement. Employees must also be actively informed about various internal training opportunities.

The team must be united so that the whole team can succeed, and the team members must know each other. Joint activities outside of actual work in a relaxed environment often help team members get to know each other better. Free-form activities are also a good counterbalance to the hectic workday.

The ethics of this thesis were taken care of by following honesty and care. All respondents and interviewees were asked to consent to participate in the study. The names of the persons who were the subject of the study or other personal information were not processed. It was agreed with the interviewees that the recorded interview materials would be destroyed after the thesis was completed.

The results of the study must be treated with caution because the sample size was so small, and the study was conducted in a single team of the case company. As a further research, different employee profiles could be studied in more detail. In the future, it would be good to confirm the results by repeating this study protocol with a larger number of employee and manager interviews.

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Questionnaire for employees

1. Have you been working for competitors? Yes or No
2. How satisfied are you with your employer? 0-10
3. Would you recommend your workplace to others? Yes or No
4. Do you experience feelings of success in your work? 0-10
5. Have you applied for another job in the last two years? Yes or No
6. If you got a job offer at a better salary, would you change your job? Yes, No or Cannot say
7. Do you get enough support to do your job to reach your goals? 0-10
8. Does the current reward system motivate you? Yes or No
9. Is the reward system fair? Yes or No
10. Are you satisfied with the current reward systems? 0-10
11. The basic salary level should be raised. 0-10
12. The reward system should be developed. 0-10
13. The performance rewards should be developed. 0-10
14. What motivates you to perform better in your job? Open question
15. Do you feel that you have opportunities to advance in your current job? Yes, No or Cannot say

Interview questions for managers

1. Are you satisfied with the current salary structure and reward system?
2. How would you develop the current reward system?
3. Do you feel that you can influence the wellbeing and motivation of your subordinates?
4. What do you think is most important in your job?
5. What motivates you in your work

Interview questions for employee

1. Should the salary structure be different, if so, what kind?
2. What do you think a good reward system consists of?
3. What motivates you the most in your work?
4. You have worked both as an expert and as a manager, do different things motivate you in different roles?
5. What factors affect wellbeing and coping at work?
6. How committed are you to your job and employer and what factors influence this?