



Motivator Factors of Employees in Finnish SMEs in 2023

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Abstract

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<p>This study challenges the role of the Dual-factor theory of motivation by Frederick Herzberg as a determinant of employee motivation, in the context of Finnish small and medium-sized enterprises (SMEs) in 2023. Herzberg suggests a dichotomy between the factors that decrease job dissatisfaction (Hygiene factors) and the factors that increase job satisfaction and result in long-term motivation (Motivator factors). The theoretical framework of this paper presents arguments that contradict Herzberg's study, stating that Hygiene factors can also be determinants of satisfaction and motivation, and imply that Herzberg's research methodology is unreliable and biased.</p> <p>The objective of the study was to answer the research question, "What are the motivator factors of employees in Finnish SMEs in 2023", by conducting quantitative research and finally comparing results with Herzberg's theory. An online questionnaire was conducted with eight Finnish SMEs from varying industries, where 151 participants ranked, chose, analysed, and commented on the factors that they personally find, or would find, most satisfying and motivating in their work environments. The impact of the Covid-19 pandemic on results is discussed.</p> <p>The results suggest that Herzberg's Dual-factor theory is not fully applicable for Finnish SMEs in 2023, due to fluctuations in results between the subgroups of employee ages, years of work at the company, and employees with subordinates. According to the results, employees in Finnish SMEs are motivated by factors such as the work itself, the opportunity for remote work, a fair salary, interpersonal relationships, as well as organisational culture values.</p> <p>The results of the study help the senior management of partner SMEs to identify motivators of their employees. Introducing these factors into the work environment and maintaining them will enhance employee productivity and decrease voluntary turnover in the long run.</p>
Key words Motivation, job satisfaction, Herzberg, SMEs, Finland

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1 Introduction

1.1 Background

Understanding the sources of job satisfaction is a meaningful asset in small and medium-sized enterprises (abbreviated to SMEs) to spark employee motivation and pursue organisational objectives. The factors affecting employee engagement and fulfilment at the workplace can vary from employee to employee, which is why the concept of job satisfaction and employee motivation must be studied on an individual level. (Bawa 2017, 663) Increased and sustained job satisfaction will build and maintain motivation in the long run, enhancing employee productivity and decreasing voluntary turnover. (Chiat & Panatik 2019, 10-15)

Namely the Dual-factor theory of motivation by Frederick Herzberg (also known as the Two-factor theory or the Motivation-Hygiene theory) is a widely used theory to tackle employee job satisfaction. The theory distinguishes between the factors that decrease job dissatisfaction (labelled Hygiene factors), and the factors that increase job satisfaction and result in long-term employee motivation (labelled Motivator factors). Herzberg studied that the extrinsically motivating Hygiene factors are incapable of satisfying and motivating individuals in the long run, alike intrinsic Motivator factors. (Herzberg, Mausner & Snyderman 1993, 59-70)

Furthermore, the presence of a human resources department is not guaranteed in Finnish SMEs, and consequently its absence may impede employee job satisfaction and wellbeing in the working environment. (Rydman 2017) Nevertheless, around 93% of Finnish companies employ fewer than 10 people (Yrittäjät 2020), so the span of control of leaders in SMEs is often narrower than that of leaders in large enterprises (Miller 2019, 1). This allows for the creation of a more profound relationship and enhanced communication between the subordinate and the supervisor. Recovering from the Covid-19 pandemic and readjusting to new working norms, Finnish SMEs have faced shifts in working environments by adapting new technology and offering remote work possibilities to employees (Elisa study, 2021). Keeping employees motivated regardless of time and place is becoming increasingly important, which brings up the necessity for studying the factors leading to employee satisfaction and motivation.

1.2 Objective

There are two objectives to this study. Firstly, the study will challenge Herzberg's Dual-factor theory of motivation. A quantitative research methodology will take place, in which data is gathered via an online questionnaire and analysed in cross-tabulating subgroups. The goal is to determine whether Herzberg's distinction between Hygiene factors and Motivator factors is still relevant in

2023 and whether the Dual-factor theory is a reliable determinant of job satisfaction for employees of Finnish SMEs. The external influence of the Covid-19 pandemic is taken into consideration when analysing current sources of motivation.

The second objective of this study is to provide solutions to the target audience, the senior management of Finnish small and medium-sized enterprises, regarding ways in which the level of motivation of their employees can be maximised and maintained. The SMEs that took part in the study receive a thorough analysis of their company-specific results.

1.3 Research questions and auxiliary questions

Previous studies of the Dual-factor theory have not researched the topic in the perspective of Finnish SMEs in 2023. Studies have also not considered external factors and employee demographics as an influencer of results. The ultimate research question answered at the end of this study is as follows: What are the motivator factors of employees in Finnish SMEs in 2023?

Complementing the research question are the following three auxiliary questions:

- To what extent is the Dual-factor theory applicable in today's work life?
- To what extent has the Covid-19 pandemic influenced the sources of employee motivation?
- Is it possible for Hygiene factors to motivate individuals?

In the Overlay matrix, the auxiliary questions and research question are presented alongside the chapters for theoretical framework, study results, as well as questionnaire questions (table 1).

Table 1. Overlay matrix (adapted from Peltonen, 3)

Auxiliary questions	Theoretical framework (subchapter)	Results (subchapter)	Questionnaire questions (appendix 3)
To what extent is the Dual-factor theory applicable in today's work life?	2.5, 2.8	4.2, 4.5.4	5-8, 16-18
To what extent has the Covid-19 pandemic influenced the sources of employee motivation?	2.7	4.3, 4.4	9-11
Is it possible for Hygiene factors to motivate individuals?	2.3, 2.4, 2.5.2	4.5	12-17
Research question	Theory (subchapter)	Results (subchapter)	Questionnaire questions (appendix 3)
What are the motivator factors of employees in Finnish SMEs in 2023?	2.3	4.6	7,8,18

1.4 Research hypotheses

Table 2 introduces the auxiliary questions and research question with their respective research hypotheses.

Table 2. Research hypotheses

Auxiliary questions	Research hypotheses
#1. To what extent is the Dual-factor theory applicable in today's work life?	#1. The original Dual-factor theory is only somewhat applicable in today's work life because the factors leading to job satisfaction and motivation have changed. Influences from employee age, years of work at current job and supervisory positions should be considered in results.
#2. To what extent has the Covid-19 pandemic influenced the sources of employee motivation?	#2. The Covid-19 pandemic has created new sources of employee motivation, such as remote work.
#3. Is it possible for Hygiene factors to motivate individuals?	#3. It is possible for the Hygiene factor <i>salary</i> to motivate individuals.
Research question	Research hypothesis
#4. What are the motivator factors of employees in Finnish SMEs in 2023?	#4. The motivator factors of employees in Finnish SMEs in 2023 are salary, work itself, responsibility, and personal growth.

1.5 Delimitations of the study

1.5.1 Theory

There are numerous theories of motivation, including Maslow's Hierarchy of Needs (1943), the Self-Determination theory by Deci and Ryan (1985), and McClelland's Motivation Theory (1961). Appendix 1 presents a table that compares Herzberg's theory with the aforementioned theories. This study will solely focus on Herzberg's Dual-factor theory since it accumulates aspects from each of the other motivation theories.

1.5.2 Sample and methodology

The sample size for Herzberg's critical incident technique was 200 employees, whereas the sample size for the research in this paper was 151. The research will focus on the independent factors of age, years of work at the company, and supervisor position, and dismiss gender of respondents. This is because employee gender is not hypothesised as a determinant of motivation.

Moreover, the research methodology for this study is quantitative with a few qualitative elements, rather than completely qualitative like the critical incident technique. The primary research instrument is an online questionnaire.

1.5.3 Hygiene vs Motivator factors

The study seeks to find motivator factors of employees in Finnish SMEs; therefore, the research focuses on Herzberg's Motivator factors rather than the Hygiene factors. The distinction of the two groups is challenged, but results will not provide an updated list of Hygiene factors for Finnish SMEs. The two prominent Hygiene factors present in the questionnaire are salary and interpersonal relationships, since these two factors are either hypothesised or studied in the theoretical framework to challenge Herzberg's list of motivators.

1.6 Significance of the study

Lastly, this study is significant, because it is the first paper that analyses the Dual-factor theory of motivation from the standpoint of SMEs in Finland in 2023. The study challenges the almost 70-year-old theory with a modern research methodology and considers external factors and employee demographics as influencers of motivation. The results of the study are a remarkable asset for the senior management of SMEs, because the recognition of the sources of employee satisfaction is crucial for the success of SMEs in highly competitive markets. Satisfied individuals perform better and are more committed to their work, resulting in higher rates of productivity and employee retention (Jex & Britt 2014, 133-136). The results of the study will educate the senior management of SMEs on the current motivation level of their employees, aid them in identifying possible gaps in employee engagement and fulfilment at work, and most importantly provide them with answers on how the level of motivation can be raised and maintained.

2 Theoretical Framework

2.1 Job satisfaction

Job satisfaction is defined by Kalleberg (1977) as the “overall affective orientation on the part of individuals towards work roles which they are presently occupying”. It is noted that an individual may be satisfied with one aspect of the job but dissatisfied with another (Kalleberg, 1977, 124). Locke (1976, 1304) adds on this definition by stating that job satisfaction is “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. Additionally, job satisfaction leads to the accomplishment of objectives and results in “fulfilment feelings” at the workplace (Kaliski 2007, 55). By summarising the definitions from the literature, the definition of *job satisfaction* for the purpose of this study is established as “a pleasurable and fulfilled emotional state on the part of an individual towards the job that they are currently occupying”.

2.2 Motivation

Moreover, Gorman (2004, 1) defines motivation as a “goal-directed behaviour, that moves individuals towards a certain form of behaviour over another”. Motivation is also referred to as “the will to achieve” by Bedeian (1993, 460) and “the energy to act” by Fowler (2019, 19). Mitchell (1997, 57) summarises motivation with four words: Arousal, Direction, Intensity and Persistence. In an organisational context, work motivation is defined by George and Jones (2005, 175) as “the psychological forces within a person that determine the direction of a person’s behaviour in an organisation”. Work motivation will simply be referred to as *motivation* in this study, and the concept of motivation can be summarised as “an energised behaviour of an employee, which is achievement-driven and goal-oriented” for the purpose of this study.

Furthermore, motivation can be classified as two distinct types: intrinsic and extrinsic motivation. Legault (2016, 1) defines intrinsic motivation as “engagement in performance that is inherently satisfying or enjoyable”. Hidi (2016, 309) builds on this definition, stating that “intrinsic motivation occurs when the activity is central to the self, (...) or when it is associated with individual interest”. Conversely, extrinsic motivation is described as the phenomenon where motivation is extrinsic to the activity or the person (Ryan & Deci, 2000, 71). Legault (2016, 1) adds to this definition by stating that extrinsic motivation is “instrumental motivation”, which means that it is contingent upon the attainment of an outcome that is separable from the action itself. To summarise these definitions, intrinsic motivation is when an individual acts or behaves for inherent satisfaction, whereas extrinsic motivation is acting or behaving with the intention of receiving an external reward or satisfaction. These are the primary definitions and the distinction between intrinsic and extrinsic motivation used within this report.

2.3 Frederick Herzberg's Dual-factor Theory

The Dual-factor theory of motivation, also known as the Two-Factor Theory or Motivation-Hygiene Theory, by the American psychologist Frederick Herzberg, depicts the dichotomy between job satisfaction and job dissatisfaction. According to the theory, the factors that lead to job satisfaction and motivation are mutually exclusive from the factors that lead to job dissatisfaction. (The Harvard Business Review 2003, 46) Additionally, Herzberg concluded that the opposite of job satisfaction is not job dissatisfaction, but rather *no job satisfaction*. Likewise, the opposite of job dissatisfaction is *no job dissatisfaction*. (Behling, Labovits & Kosmo 1968, 101) The theory distinguishes between a list of Motivator factors, which lead to job satisfaction when increased in the working environment, and Hygiene factors, which when present result in less job dissatisfaction (Figure 1).

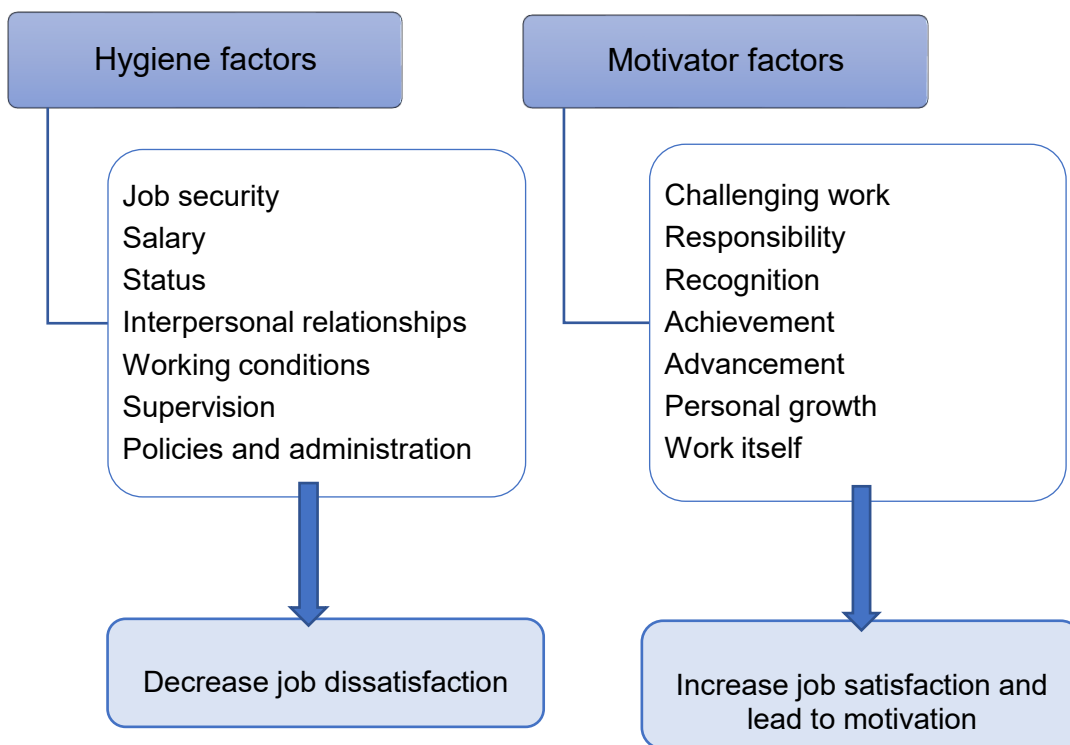


Figure 1. SmartArt depicting distinction between Herzberg's Hygiene factors and Motivator factors

2.3.1 Hygiene Factors

Hygiene factors are extrinsic to the work itself. They are referred to as "maintenance factors" by Herzberg (Gorman 2004, 1), as well as sources of "pain-avoidance" (Herzberg, 2008, 23). This means that Hygiene factors are the fundamental needs of employees to prevent job dissatisfaction. Hygiene factors are important to decrease unpleasant feelings towards the job, and to minimise unfairness (Mullins 2010, 265). For example, without a pleasant salary and good working

conditions, an employee will be dissatisfied with their job. The Hygiene factors in Herzberg's theory are as follows, with a brief explanation:

- Salary: Wages and/or employment benefits.
- Interpersonal relationships: Relationships between co-workers and supervisors.
- Working conditions: "Physical surroundings of the job", the environment in which the individual works in. This includes safety, hygiene, tools, temperature, and other elements that affect physical well-being in the work environment. (Alshmemri, Maude & Shahwan-Akl 2017, 14).
- Status: Job title, and how executive sounding it is. (Herzberg & Hamlin 1961, 394-401)
- Supervision: Quality of supervision, and the role of leadership. Supervisors have the power to inspire their subordinates and to make them feel secure at work. (Torrington & Hall, 1995, 294)
- Policies and administration: Organisational policies that have direct effect on the individual, and adequate management within the organisation (Alshmemri & al. 2017, 14).

2.3.2 Motivator Factors

Motivator factors arise from intrinsic conditions of the job itself, which means that individuals do not expect a reward for their performance, but rather perform for inherent satisfaction (McRae & Furnham 2017, 11). Herzberg's list of Motivator factors are practices that create a "sustained desire to do excellent work within (a) vocation" (Gellerman 1968, 34). The list of Hygiene factors are as follows, with brief explanations:

- Challenging work: Inspiring individuals to perform better by challenging them at the workplace (Denny 2009, 25).
- Responsibility: Increasing an individual's responsibility or control over their work, also referred to as job enrichment (George & Jones 2005, 206).
- Recognition: Making employees feel valued and respected by giving compliments and thanking them for their work (Denny 2009, 21).
- Achievement: Achieving success at the workplace, for example through the completion of a challenging tasks and seeing positive results (Alshmemri & al. 2017, 14).
- Advancement: Offering opportunities for advancement in the employee's career, such as getting a promotion (Ghazi, Shahzada & Khan 2013, 445).
- Personal growth: Introducing new tasks that have not been previously handled (Herzberg 2008, 52).
- Work itself: Engaging employees in their job position. This includes the content of the job tasks, and the level of difficulty (Alshmemri & al. 2017, 13).

2.4 The relationship between job satisfaction, motivation, and the Hygiene and Motivator factors

According to the Dual-factor theory of motivation, there is a causal relationship between job satisfaction and motivation (Ghazi & al. 2013, 445). Most significantly, through the improvement of Herzberg's Motivator factors in the working environment, job satisfaction will increase and when maintained, will result in long-term motivation (Gaziel 2016, 613-626). Therefore, companies should focus on building Motivator factors to increase employee motivation in the long run, rather than only meeting Hygiene factors. This is because Hygiene factors merely decrease job dissatisfaction, never satisfy, nor motivate employees. The classification of Hygiene and Motivator factors is fixed; thus, according to Herzberg, a Hygiene factor could never satisfy and motivate an individual, and neither could a Motivator factor dissatisfy one. (Sachau, 2007, 380)

In order to summarise how the two lists of factors differ, table 3 presents the dichotomy between Hygiene and Motivator factors. When present, Hygiene factors result in less job dissatisfaction, and their absence causes job dissatisfaction. Conversely, Motivator factors, when present, lead to job satisfaction, and when motivators are absent, it simply results in the state of no job satisfaction. Herzberg described Hygiene factors as extrinsic, maintenance factors, whereas Motivator factors are seen as intrinsic, growth factors.

Table 3. Comparison of Hygiene factors and Motivator factors

	Hygiene Factors	Motivator Factors
Outcome if present	Less job dissatisfaction	Job satisfaction
Outcome if absent	Job dissatisfaction	No job satisfaction
Description by Herzberg	Maintenance factor	Growth factor
Type of motivator	Extrinsic	Intrinsic

2.5 Criticism towards the Dual-Factor theory

Regardless of the popularity of the Dual-factor theory for determining factors that lead to job satisfaction, there are numerous arguments against the methodological and conceptual elements of the theory. This section discusses three controversies of the theory: the critical incident technique, Hygiene factors as motivators, and the influence of employee demographics.

2.5.1 The critical incident technique

In 1959, Herzberg performed his study on a sample of 200 industrial workers and collected data utilising the critical incident technique. This technique is a qualitative approach where individuals are asked to recall situations in which, in the case of Herzberg's study, they felt exceptionally good or exceptionally bad at work. (Behling & al. 1968, 99) The results indicated that workers associated negative work-related experiences with elements such as unpleasant co-worker relationships, a poor salary, bad supervision, or as Herzberg named them, hygiene factors. Conversely, positive work-related experiences were associated with the work itself, personal achievements, growth, and responsibility, and Herzberg named these "Motivator factors". (Gaziel 2016, 613-626)

Moreover, the creator of the technique, John C. Flanagan, explained in his work on the *Psychological Bulletin* (1954, 9) that the critical incident technique does not consist of a fixed set of rules, but should rather be a "flexible set of principles that are modified and adapted" to meet the situation in concern. The technique was criticised by Sachau (2007, 383) due to its "heavy reliance on a single and biased research methodology to support the theory". An argument by Schneider and Locke (1971, 441-457) adds that individuals are more likely to "give credit to (themselves) for good day events, while others were primarily blamed for bad days". Moreover, Brenner, Carmack and Weinstein (1971, 361) criticised the measurement and stated, "there is no basis for assuming that the factors described in the critical incidents caused overall job satisfaction". Therefore, it can be argued that the methodology of the data collection may have caused unreliability and biased results, which decreases the trustworthiness of Herzberg's theory as a determinant of job satisfaction.

2.5.2 Hygiene factors as motivators

Herzberg stated that the presence of hygiene factors will only decrease job dissatisfaction, not increase satisfaction and motivation. Sachau (2007, 383) argued that interpersonal relationships can in fact result in satisfaction, stating that "Friendships can lead to psychological growth and motivation". Denny (2009, 27) adds on this viewpoint by studying that "the sense of group belonging" is a source of motivation, for example being part of a sports team. These statements go against the Dual-factor theory's distinction of Hygiene and Motivator factors, where interpersonal relationships were not classified as increasing job satisfaction.

Moreover, researcher Clifford Hahn conducted the same experiment in 1968 on 800 Air Force officers and concluded that some elements considered Hygiene factors by Herzberg, such as salary, were not predominantly considered dissatisfactory, but in some cases as motivators (Behling & al. 1968, 102).

Herzberg (1966, 80-84) explains these phenomena in his work “Work and the nature of man”, in which he claims that the improvement of hygiene factors may lead to satisfaction that is temporary, but true, long-term motivation is achieved only by improving the Motivator factors. Herzberg adds that money can be considered a motivator, but managers who use Hygiene factors as motivators “should not expect employees to be excited about a boring job” (2012, 98). For example, a pay raise will naturally decrease an individual’s dissatisfaction, but this reward creates extrinsically motivated behaviour. If the individual was offered a higher salary at another enterprise, it is highly likely for them to leave their current job. Nevertheless, if the individual was intrinsically motivated at their current job, for example by recognition and advancement, they would be less likely to be extrinsically motivated towards a higher paying job and would commit to their current job.

2.5.3 Generalisability and influence of employee demographics

It is studied by Brenner et al. (1971, 362) that an individual factor may lead to job satisfaction for one person, whereas another person may be dissatisfied by the same factor in question. This finding challenges the generalisability of Herzberg’s results. In particular, Herzberg’s theory does not consider the impact of employee demographics. McRae and Furnham (2017, 26-28) focus in their work on the different levels of motivation experienced between age groups. They argue that older workers are no longer as motivated as ambitious younger workers, are less willing and able to adapt to new technology and to participate in training and have poorer interpersonal skills.

Furthermore, a study by the Harvard Business Review (Harter, 2015) acknowledges that long-term employees are the most challenging to motivate. Additionally, there are measurable differences in motivation levels between employees with a supervisor role and employees who are not supervisors. Elangovan and Xie (1999, 370-373) studied that individuals who perceived supervisor power were more likely to feel an increase in motivation and a decrease in stress.

These arguments introduce the question of whether differences in employee age and years of work at the company, as well as supervisor positions, have an influence on the factors leading to employee motivation.

2.6 Small and medium-sized Enterprises (SMEs) in Finland

Statistics Finland (valid until 2078) defines small and medium-sized enterprises (SMEs) as enterprises, (1) with fewer than 250 paid employees, (2) whose annual turnover is no more than EUR 50 million, or (3) whose balance sheet total is no more than EUR 43 million, and (4) who meet the criterion of an independent enterprise.

Additionally, small and medium-sized enterprises are characterised with high heterogeneity, that can be expressed through a simple organisational structure, low level of specialisation and a centralisation in decision-making (Abduli 2013, 223-224). Human resource management in SMEs differs significantly from large enterprises, since SMEs often possess more informal company cultures with fewer opportunities for formal training, have limited resources available for an extensive recruitment process, and human resource managers are more likely to know employees personally. Also, it is not uncommon for SMEs to not have an existing human resources department, due to the small size of the enterprise. (De Kok 2013, 15) It is inevitable for SMEs to focus on obtaining competitive advantage and low employee turnover by enhancing their organisational performance (Madanchian & Taherdoost 2017, 241). This was most challenging during the Covid-19 pandemic that hit Finland in spring 2020.

2.7 Effect of the Covid-19 pandemic on Finnish SMEs

In May 2020, the state-owned investment company Tesi (Finnish Industry Investment Ltd) conducted a survey on 1,639 Finnish small and medium-sized enterprises to measure the impacts of the pandemic on Finnish SMEs. The research concluded that the Covid-19 crisis notably decreased SME net sales, caused supply chain disruptions and delayed investments. Companies experienced limited resources to adapt, since 60% of companies were unable to reduce costs by more than 20% because of the pandemic. The most common alternative was to lay off employees (40% of respondents) as well as to dismiss employees. (Hakamo, Tesi News, 2020)

Nonetheless, a third of Finnish SMEs succeeded during the pandemic due to shifts in digitalisation. A fifth of Finnish SMEs had not digitalised their activity before the pandemic, and a majority of those who were previously reluctant to the idea were encouraged to adapt to new digital practices to improve business performance. Largest investments were targeted towards the adaptation of video conferences, which enabled remote work: working outside of a fixed office space. (Elisa Study, 2021)

2.8 The relationship between Finnish SMEs and the Dual-factor theory

Senior management in Finnish small and medium-sized enterprises needs to be aware of the key motivator factors of their employees to increase employee retention. Having intrinsically motivated employees will enhance performance and consequently diminish voluntary turnover. (Abduli 2013, 223-224) Smaller enterprises in Finland are often incapable of providing monetary, extrinsically motivated rewards to individuals for their performance (Rydman 2017). Thus, focus should be set on the intrinsically motivating elements at the workplace, or as Herzberg called them, Motivator

factors. The Dual-factor theory is an indicator of which factors should be introduced, improved, and maintained at the workplace to guarantee long-term employee motivation (Denny 2009, 19).

3 Methods

3.1 Target population and sample descriptions

3.1.1 Target population

The target population of the study was employees of Finnish small and medium-sized enterprises (SMEs), whose job level was between entry-level and mid-level management. The population included employees of all ages, with diverse years of work at their current companies, and employees with or without subordinates. The employees also worked in a variety of business industries.

3.1.2 Sample

The sample consisted of employees from eight (8) Finnish SMEs, each representing different business industries. There is a total of 216 employees within the sample, with an average number of 27 employees per enterprise. Three enterprises wished to remain anonymous and are thus referred to as Enterprise A, Enterprise B and Enterprise C within the sample.

Listing in alphabetical order, the Finnish SMEs that took part in the study (also referred to as partner SMEs) and their respective industry:

- Biosafe Oy, Biotechnology
- Figure Taloushallinto Oy, Finance
- Iljan Isännöintikeskus Oy, Real Estate Management
- Kommunikointikeskus Kipinä Oy, Healthcare
- Lautta Oy, Construction
- Enterprise A, Advertising and marketing
- Enterprise B, Computer and technology
- Enterprise C, Telecommunication

The total number of questionnaire respondents was 151 employees, which is 70% of the total sample. Sample size varied between companies due to differences in the number of employees per company: the highest company sample size was 49, whereas the lowest was 9. The average sample size per enterprise was 18. Table 4 presents the aforementioned numbers.

Table 4. Descriptions of sample and respective quantities

Description	Quantity
Total sample size	216
Number of enterprises within sample	8
Average number of employees per enterprise	27
Questionnaire respondents	151
Average sample size per enterprise	18

3.2 Instrumentation

A self-developed online questionnaire was the preliminary instrument for gathering data. The questionnaire was created on a Google Forms platform and distributed to respondents via an email link with a cover letter (appendix 2). The outlook of the questionnaire was designed to be visually pleasing to attract participation, and question types were diverse to maintain the interest of respondents. The survey started with a brief introduction to the research, stating its purpose and the organisational benefits of the results. The introduction also defined keywords, job satisfaction and motivation, to minimise misinterpretations and to paint a picture of the terms into the respondents' minds while responding. Additionally, language, choice of words and phrasing were designed to be as comprehensible as possible.

A questionnaire is an instrument for a quantitative research methodology, although there were also some qualitative elements present in this questionnaire. This was done via the inclusion of both close-ended and open-ended questions.

3.3 Measurement

The online questionnaire had a total of 18 questions, among which 16 of them had a mandatory response field and two were voluntary. Mandatory questions were present to minimise skipping questions and thus maximise response rate. When possible, questions and statements were written in the first person to create a more personal, reflective, and reliable tone to the survey, in order to increase honesty in responses. The questionnaire outlook and content can be studied from appendix 3.

3.3.1 Close-ended questions

Firstly, the purpose of close-ended questions was to provide a limited set of response options for the respondent to choose from. For example, question 13 asks the respondent to choose between

a Hygiene factor and a Motivator factor, according to its capability of motivating them in their current job (figure 2). This gives the respondent only two options to choose from, which forces a comparison between the two factors.

13. Out of the following two options, which one would motivate you more in your current job? *

- a) Increased responsibility
- b) A salary increase

Figure 2. Example of a close-ended question, questionnaire question 13

3.3.2 Multiple choice questions

Multiple choice questions are close-ended questions that were primarily used to collect background information on the respondents. Responses were categorised in subgroups, e.g., 1-2 years, 3-5 years, etc. (figure 3). The response options were presented in ascending order when numbers were involved. The results from these questions could quickly and easily be converted into pie charts to present the diversity in respondents.

2. "I have been working in this firm for..." *

- a) Less than a year
- b) 1-2 years
- c) 3-5 years
- d) 6-10 years
- e) More than 10 years

Figure 3. Example of a multiple choice question, questionnaire question 2

3.3.3 Dichotomous questions

Dichotomous questions are close-ended questions with only two response choices, which are opposites of each other. In this case, both dichotomous questions were yes/no questions and in a form of a statement in the first person. An example of this is presented in figure 4.

3. "I have the opportunity to work remotely." *

- a) Yes
- b) No

Figure 4. Example of a dichotomous question, questionnaire question 3

3.3.4 Likert scale questions

Likert scale questions are close-ended questions with the purpose of collecting feedback on a scale of “strongly disagree” to “strongly agree”, in the case of this research. Likert scales were used for example when measuring levels of job satisfaction and motivation of employees, by collecting the opinions of respondents based on a statement. These statements were in the first person and in quotation marks, as shown in figure 5.

5. "I feel engaged and fulfilled in my work environment." *				
Strongly disagree				Strongly agree
1	2	3	4	5

Figure 5. Example of a Likert scale question, questionnaire question 5

3.3.5 Ranking question

The last type of close-ended question was a ranking question. For example, question 7 provides the respondent with a list of five factors and asks them to rank them on a scale from 1=Most motivating to 5=Least motivating (figure 6). The Google Forms platform creates a table to help visualize the ranking.

7. In order from MOST (1) to LEAST (5), rank the following elements according to their capability of satisfying you in your work environment: *					
	1	2	3	4	5
a) Personal achievements					
b) Pleasant colleagues					
c) My salary					
d) Increased responsibility					
e) The work itself					

Figure 6. Example of a ranking question, questionnaire question 7

3.3.6 Open-ended questions

Open-ended questions were used to collect qualitative insights by giving respondents the opportunity of leaving longer, detailed responses, rather than having to choose between a set of answer options. An example of an open-ended question is question 17, shown in figure 7.

17. Please explain your answer for question 16. Why do you feel this way?

Figure 7. Example of an open-ended question, questionnaire question 17

3.4 Validity and reliability of measurement

3.4.1 Language

In order to avoid language-related misunderstandings and misinterpretations, the questionnaire language was Finnish. The questions were originally created in English and translated into Finnish when building the online questionnaire. The choice of words was carefully conducted using several online dictionaries to find the best-fitting translations. When a direct translation was not possible, the closest word with a similar meaning was chosen. Additionally, when needed, the sentence structure was altered to sound more natural and cohesive in Finnish.

Sollberger (1973, 158) states that there are in fact “untranslatable words”, and in this situation the translator must “rethink the text and re-express it in a different language”. For example, the words “engaged and fulfilled” when describing job satisfaction had to be re-expressed in Finnish to sound more suitable in the context of job satisfaction. On the other hand, words will always have different interpretations and create different images into the reader’s mind, depending on the language of the text. Thus, the language and translation are considered as important factors when studying the reliability of the results. This was avoided by providing definitions of key words in the introduction of the questionnaire.

3.4.2 Social desirability bias and courtesy bias

Social desirability bias is defined by Kalton and Schuman (1982, 45) as an instance where “respondents distort their answers towards ones they consider more favourable to them”. Particularly questions related to personal sources of motivation and attitudes towards salary may cause invalidities in responses if the respondent seeks to answer in a socially desirable way. Additionally, the awareness that results will be collected and analysed by the company’s senior management may cause pressure or nervousness and consequently dishonesty in responses, and in some cases courtesy bias. Williams, Schutt-Aine and Coca (2000, 63-71) describe courtesy bias as the individual’s tendency to “want to please the interviewer” and this phenomenon may arise in cases where the individual would “find it harder to express negative views for certain types of questions than for others”. Social desirability bias and courtesy bias are minimised in this study by emphasising the anonymousness of the data collection and highlighting the personal and organisational benefits of

the results. The survey introduction kindly asks respondents to answer as honestly as possible since the answers are anonymous.

3.4.3 Sample type and size

Importantly, the research sample had to include employees of versatile age groups, varying numbers of years of work at the company, supervisors, and non-supervisors, as well as respondents from diverse industries of work. This was preferred to ensure the quality and diversity of the data, and to minimise response homogeneity. When drawing conclusions from a set of data, it is important to have sufficient representation from each subgroup to minimise poor generalisation and bias.

Additionally, the total sample size had to be large enough to provide generalisable, valid results and to minimise bias (Florey 1993, 1182). Each Finnish SME taking part in the study had to provide a minimum participant response rate of 50%, in order for the data to be a useful tool to draw conclusions concerning the organisation as a whole.

4 Results

The online questionnaire challenged the Dual-factor theory by juxtaposing Hygiene and Motivator factors and allowing employees to rank, choose, analyse, and comment on the factors that they personally find most satisfying and motivating in their work environment. This section presents the questionnaire results for the entire sample when appropriate but focuses mostly on the cross-tabulating subgroups of employee age, years of work at the company, and supervisor position. The subgroup results were achieved by combining data of all eight online questionnaires into one corresponding graph or chart.

Graph and chart elements are coloured to improve distinction. Colours of individual elements are not coherent throughout the results section. Data is not analysed in the numerical order of questionnaire questions (see appendix 3), but rather by topic.

4.1 Sample analysis

The first three questionnaire questions sought background information on respondents with the purpose of later classifying responses by cross-tabulating subgroups. Within the sample of 151 employees, the largest age group was 36-45 years (figure 8) and 46% of respondents had worked in their current job for no more than two years (figure 9). Nevertheless, the same figure shows that almost one fifth of the employees had been committed to their jobs for over 10 years. Moreover, 13% of the respondents had subordinates, and these respondents will be referred to as *supervisors* or employees having a *supervisor role/position* in upcoming results (figure 10).

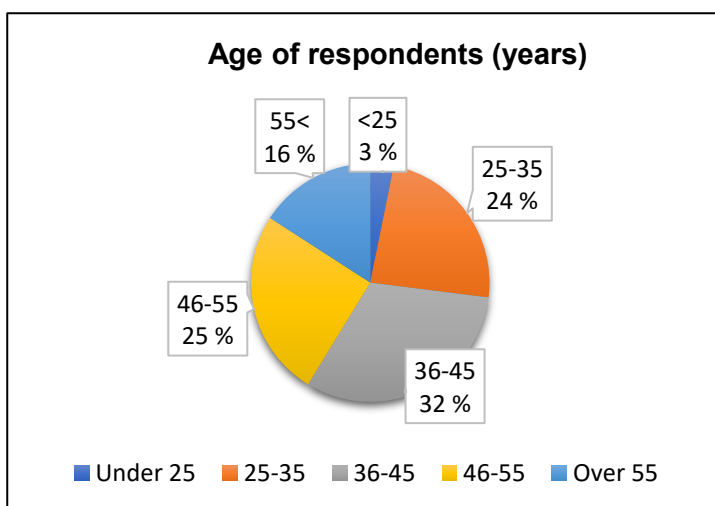


Figure 8. Pie chart depicting the age groups of respondents

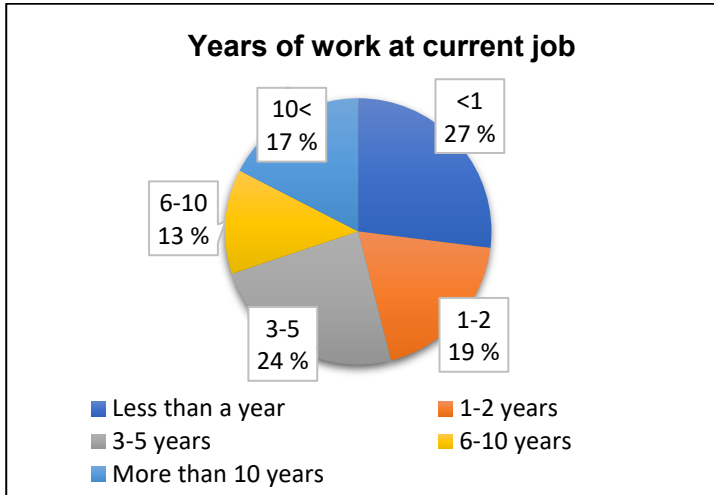


Figure 9. Pie chart depicting the years of work of respondents in their current job

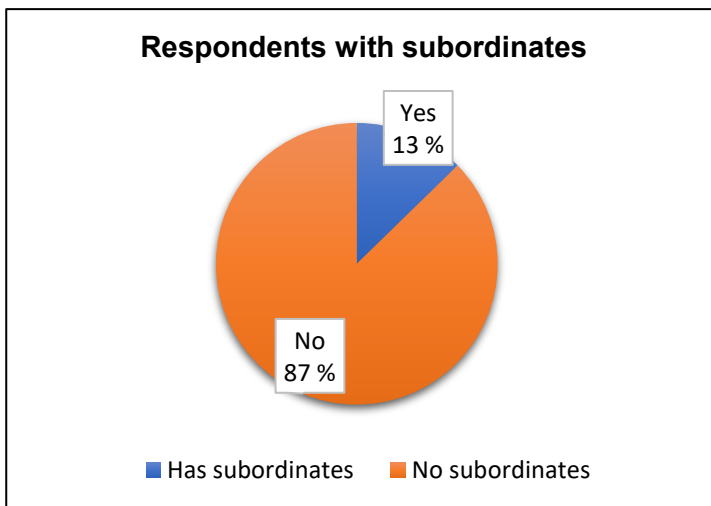


Figure 10. Pie chart depicting the respondents who have subordinates

4.2 Relationship between job satisfaction and motivation

To examine the relationship between job satisfaction and motivation, the respondents were faced with the following two close-ended statements:

- Question 5: "I feel engaged and fulfilled in my work environment."
- Question 6: "I feel motivated in my work environment."

On a scale of "1= strongly disagree" to "5 = strongly agree", the results for these statements are depicted and compared with a Likert scale in figure 11. The majority of respondents had either somewhat agreed or strongly agreed that they feel satisfied and motivated at work. The shapes of the graphs between job satisfaction and motivation are similar, both peaking at somewhat agree. Levels at strongly agree and strongly disagree as the most equal. (Figure 11.)

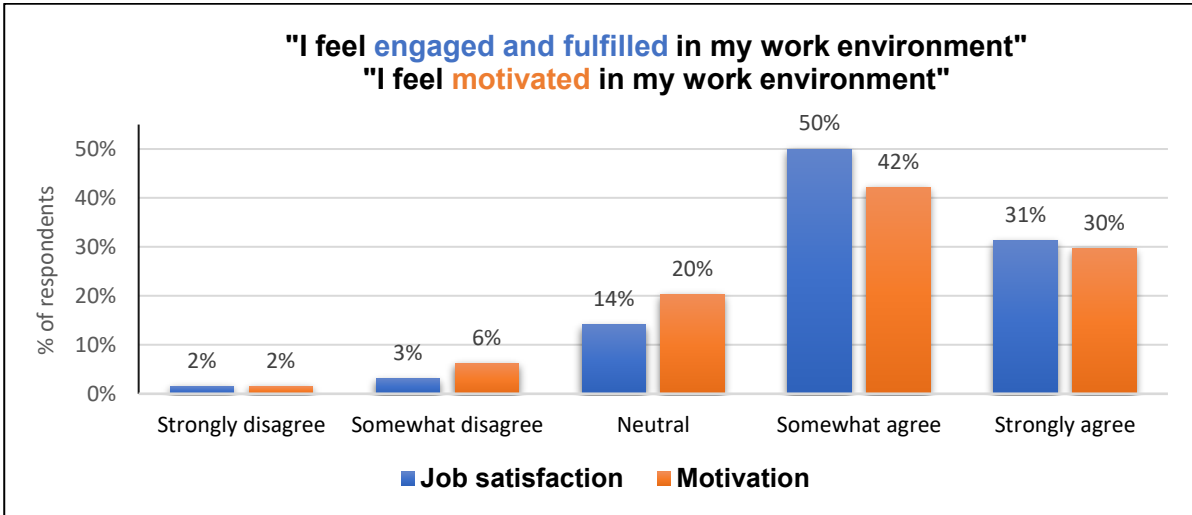


Figure 11. Clustered column chart depicting the relationship between employee job satisfaction and motivation, on a Likert scale

4.2.1 Effect of age on job satisfaction and motivation

Furthermore, figure 12 presents the level of job satisfaction and motivation (1= low level, 5= high level) with employee age as the independent variable. Remarkably the 46-55 age group excelled in satisfaction and motivation levels, whereas the lowest levels were experienced by the 25-35 age group. There was a 0.5-point difference in job satisfaction levels, as well as a 0.6-point difference between the motivation levels, between the age groups of 46-55 years and 25-35 years. Under 25-year-olds scored the most equally in terms of satisfaction and motivation levels, with an average of 4 for both. (Figure 12.)

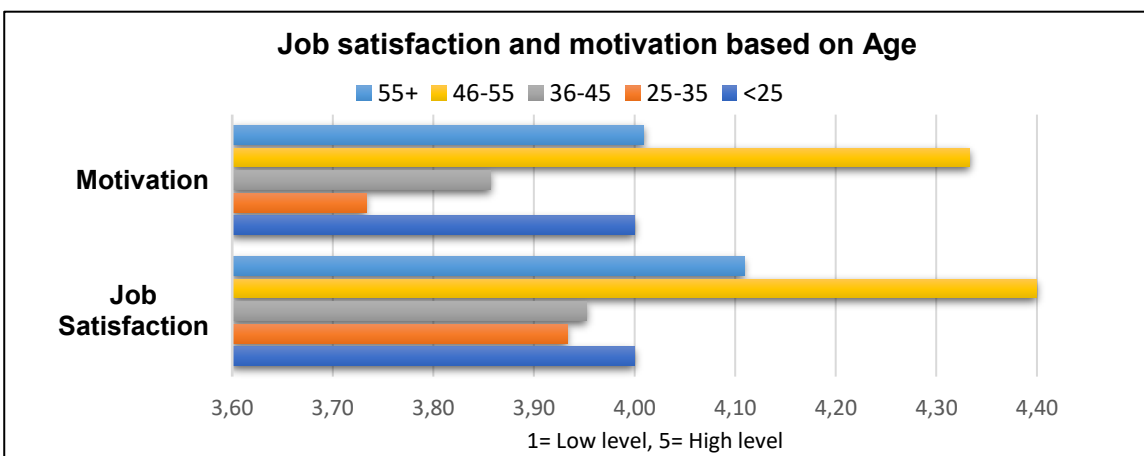


Figure 12. Bar chart depicting the level of job satisfaction and motivation based on employee age

4.2.2 Effect of years of work on job satisfaction and motivation

Next, figure 13 presents the level of job satisfaction and motivation (1= low level, 5= high level) with years of work at the company as the independent variable. The data from figure 9 was divided into three subsections: newer employees, who have worked in the company for no more than two years, longer-term employees working over 10 years, and workers of 3-10 years. Notably, the newer and longer-term employees had higher levels of job satisfaction and motivation than the employees who had worked in their companies for 3-10 years. The levels of 3-10-year workers were equal in both job satisfaction and motivation and scored 0.3-0.5 points lower than the other groups. The scores for job satisfaction and motivation were close to equal, with only a 0.1 difference for the subgroup of newer employees. (Figure 13.)

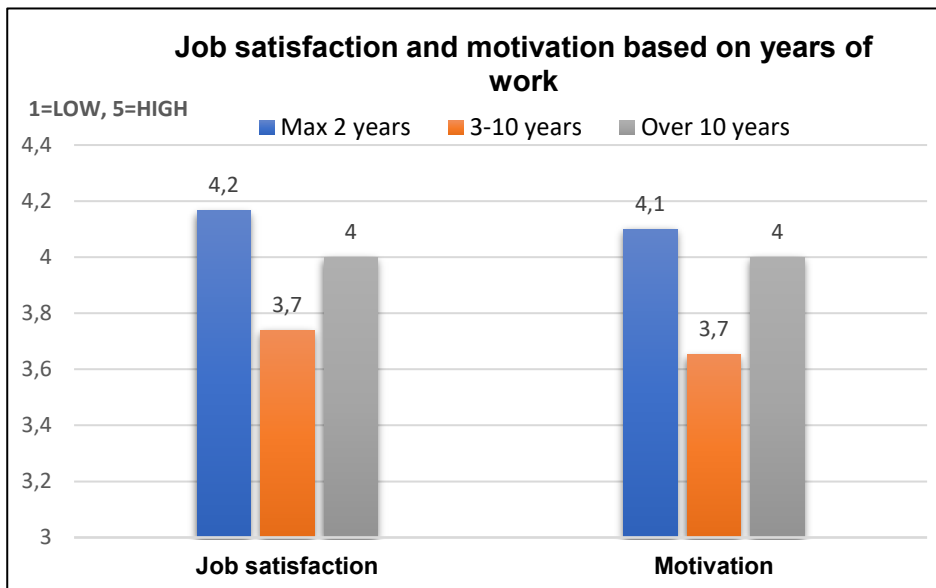


Figure 13. Clustered column chart depicting the level of job satisfaction and motivation based on years of work at the company

4.2.3 Effect of a supervisor position on job satisfaction and motivation

Subsequently, figure 14 presents the level of job satisfaction and motivation (1= low level, 5= high level) with supervisor role as the independent variable. The data show that supervisors were on average more satisfied and motivated than the employees who do not have subordinates. The lowest score was obtained from employees who were not supervisors, with an average motivation level of 3.07.

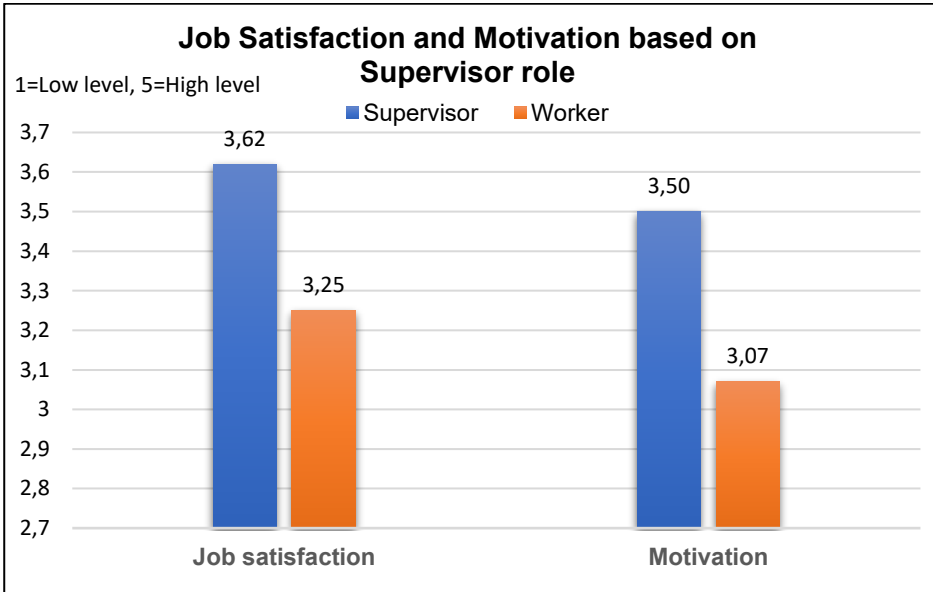


Figure 14. Clustered column chart depicting the job satisfaction and motivation levels between employees with supervisor positions and employees with no supervisor position

4.3 The effect of the Covid-19 pandemic on motivation

Moreover, the questionnaire asked a series of questions in relation to the Covid-19 pandemic. Question 9 was the open-ended statement, “My motivator factors before the pandemic were different from my current (post-pandemic) motivator factors”. The results are depicted on a Likert scale from strongly disagree to strongly agree in figure 15. 16% of respondents somewhat agreed or strongly agreed with this statement, although the majority of respondents did not notice a change in motivators, with 63% somewhat disagreeing or strongly disagreeing with the statement.

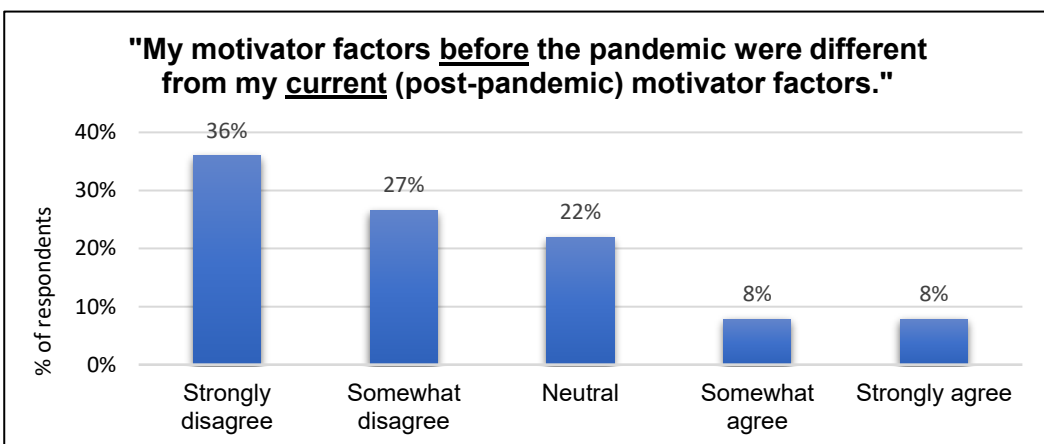


Figure 15. Cluster column chart depicting the relationship between the pandemic and motivators on a Likert scale

The following question presented the open-ended statement to collect qualitative data: “If you agreed with question 9, please give me some examples.” Figure 16 summarises the most frequent answers, simplified.

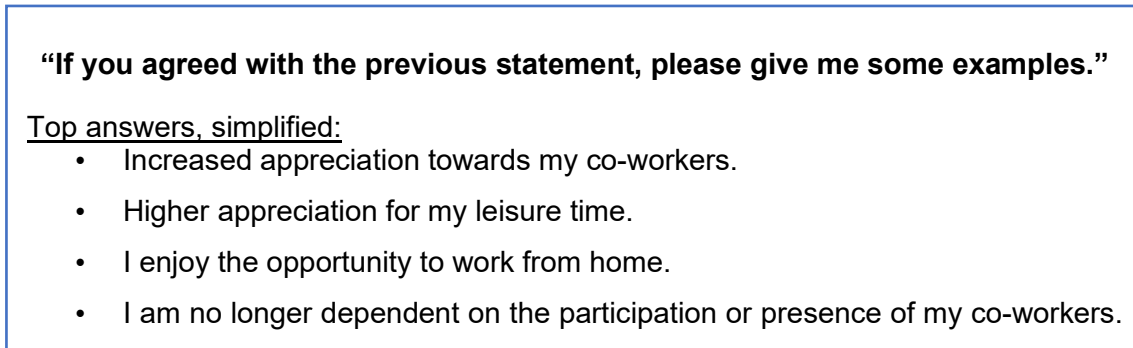


Figure 16. Simplified, top answers to an open-ended statement

4.4 The possibility of remote work

Lastly, it was determined that the majority of respondents (87%) had the possibility of working remotely (figure 17). The close-ended statement “The possibility of remote work motivates/ would motivate me” with a Likert scale is depicted in figure 18. 4/5 of employees either strongly agreed or somewhat agreed with this statement. Out of the 13% who do not have the possibility to work remotely, 8% work in job positions where physical presence is a requirement to practice the job, and 5% somewhat agreed that this possibility would motivate them.

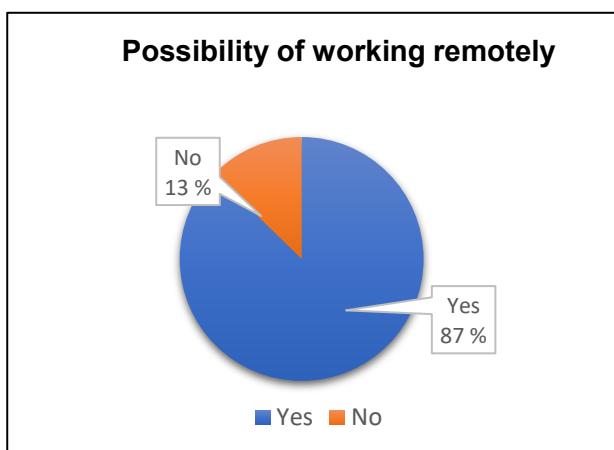


Figure 17. Pie chart depicting the employees’ possibilities of working remotely

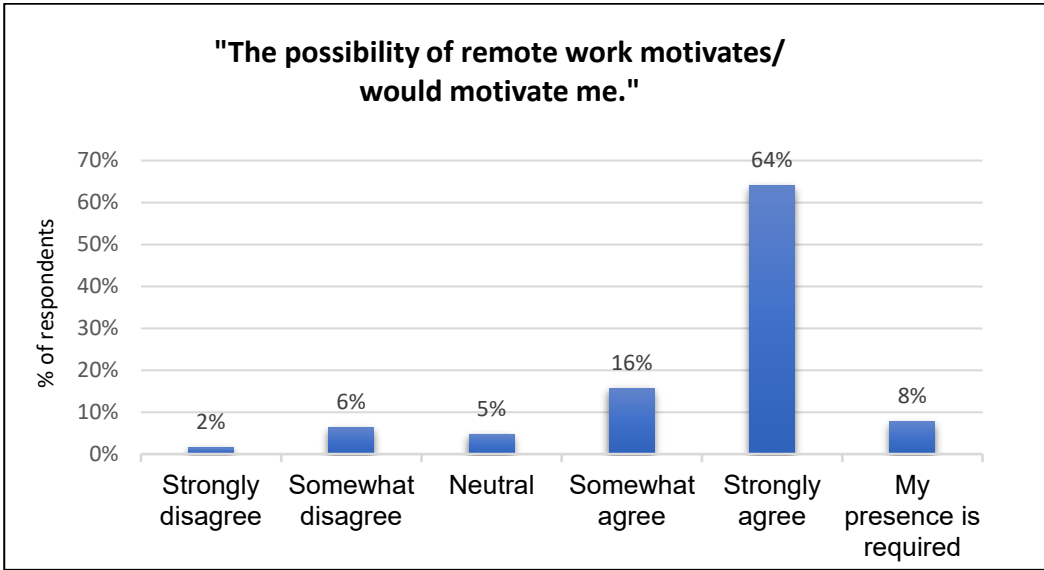


Figure 18. Clustered column chart depicting the results of an open-ended statement, on a Likert scale

4.5 Motivator factors

With the purpose of analysing employee Motivator factors, question 7 asked respondents to classify the five factors in order from 1= most motivating to 5= least motivating, according to their capability of motivating the individual in their work environment. The results in figure 19 show a clear distinction between each spot. The most motivating factor was the work itself, followed by salary and pleasant colleagues, and lastly personal achievements and increased responsibility were selected as least motivating.

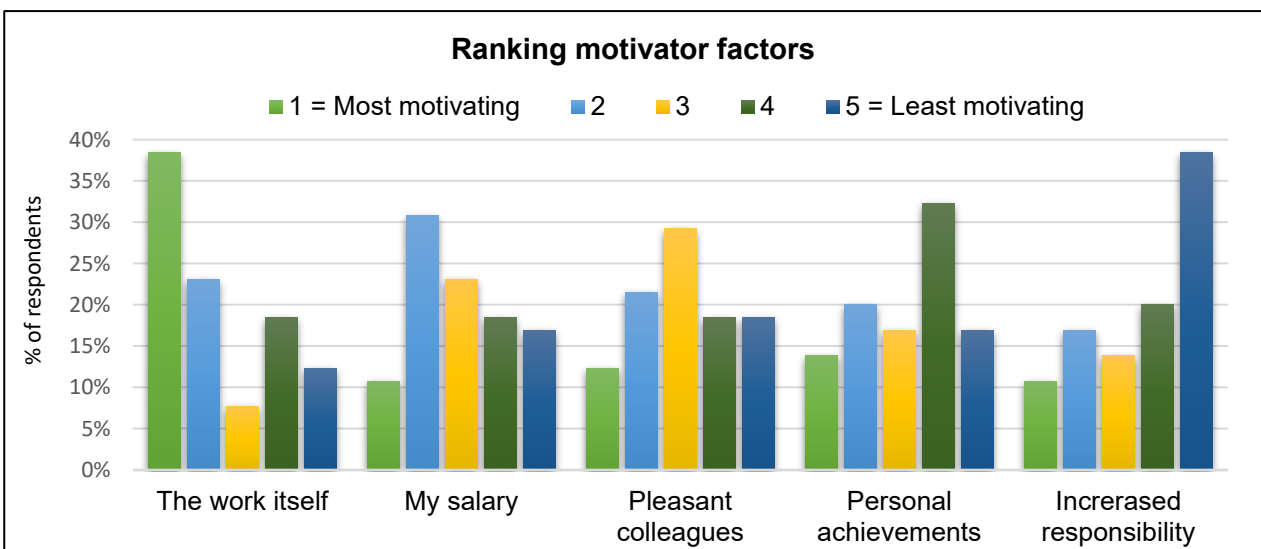


Figure 19. Clustered column chart depicting Motivator factors from most motivating to least motivating

Furthermore, question 8 asked the respondents to choose three of the most motivating factors from a list. The top motivators clearly stood out, which were a salary increase, achieving personal goals, as well as increased recognition for successful work. (Figure 20.)

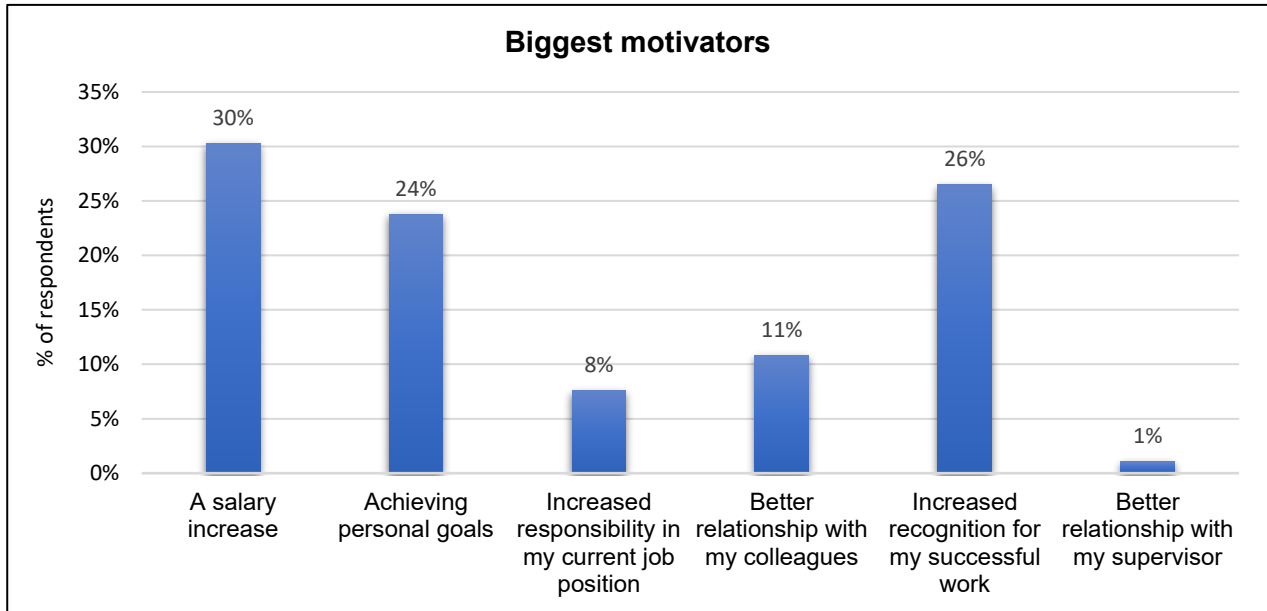


Figure 20. Cluster column chart depicting the biggest motivators, chosen by employees from a multiple choice list

Questions 12-15 were multiple-choice, close-ended questions where individuals had to choose between two options, which one would motivate them more at work. Figures 25 and 26 focused on a salary increase, while figures 27 and 8 focused on interpersonal relationships.

When choosing between a salary increase and personal/professional growth at the workplace, the latter one won by only a couple units (figure 25). Although, when a salary increase was sided with increased responsibility, the salary increase was significantly more popular (figure 26). On the other hand, the choice between a great relationship with colleagues was close to equal with the choice of more recognition for successful work as well as opportunities for career advancement (figures 27 and 28). (Appendix 4.)

4.5.1 Effect of age on motivators

Figure 29 in appendix 5 presents the ranking of motivator factors (1= most motivating, 5= least motivating) with employee age as the independent variable. The highest and lowest scores from each motivator are marked. Figure 19 presented the most motivating factor as work itself and the least motivating as increased responsibility. Work itself was considered motivating by the majority of respondents, and highest by the 36-45 age group. Increased responsibility was the least motivating

for employees under the age of 25, as well as the 25-35 age group. On the other hand, employees over the age of 55 were more motivated by increased responsibility. The role of salary as a motivator was significantly higher for under 25-year-olds, whereas over 55-year-olds ranked it low on average. (Appendix 5.)

4.5.2 Effect of years of work on motivators

Figure 30 in appendix 6 presents the ranking of Motivator factors (1= most motivating, 5= least motivating) with years of work at the company as the independent variable. Increased responsibility was least motivating for employees who have worked in the company for 2 years or less, and this group was most motivated by work itself. Results for employees of 3-10 years present the work itself as the biggest motivator, and increased responsibility and pleasant colleagues equally as least motivating. The long-term employees of over 10 years found pleasant colleagues as the least motivating option, whereas increased responsibility was on average the biggest source of motivation. Most consistent results were in the personal achievements category, with the score of 3.1 on average for all subgroups. The biggest fluctuations were seen with the work itself factor, which scored lowest for over 10-year employees, as well as increased responsibility, where the difference between the scores of max. 2-year employees and over 10-year employees was almost 2.0 points. (Appendix 6.)

4.5.3 Effect of Supervisor position on Motivators

Figure 31 in appendix 7 presents the ranking of Motivator factors (1= most motivating, 5= least motivating) with supervisor role as the independent variable. On average, supervisors felt least motivated by increased responsibility and most motivated by the work itself. Workers with no subordinates were least motivated by personal achievements, and the work itself was the most motivating. (Appendix 7.)

4.5.4 The role of salary in the work environment

Towards the end of the survey, the respondents were faced with a hypothetical statement in question 16: "I would **not** leave my job, if another firm offered me a higher salary for the same position." On a scale of strongly disagree to strongly agree, the results for this statement are depicted with a Likert scale in figure 21.

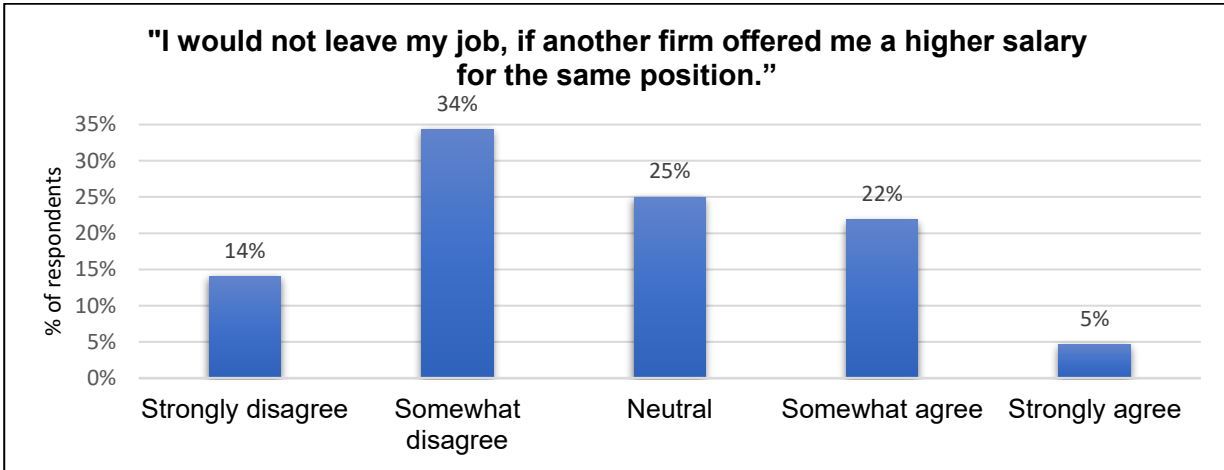


Figure 21. Clustered column chart depicting the answers to the statement, on a Likert scale

As can be seen from the results, a salary increase played a role in commitment to the job. 48% of respondents strongly disagreed or somewhat disagreed with staying in their current job if a better salary opportunity was provided for the same position at another company. On the other hand, 27% of respondents agreed or strongly agreed that they would not leave their current job in this situation. (Figure 21.)

This statement was complemented by the open-ended question 17, which asked: "Please explain your answer for question 16. Why do you feel this way?". This question collected qualitative results. Figure 22 presents top answers, simplified, for why the respondent agreed or disagreed with the previous statement.

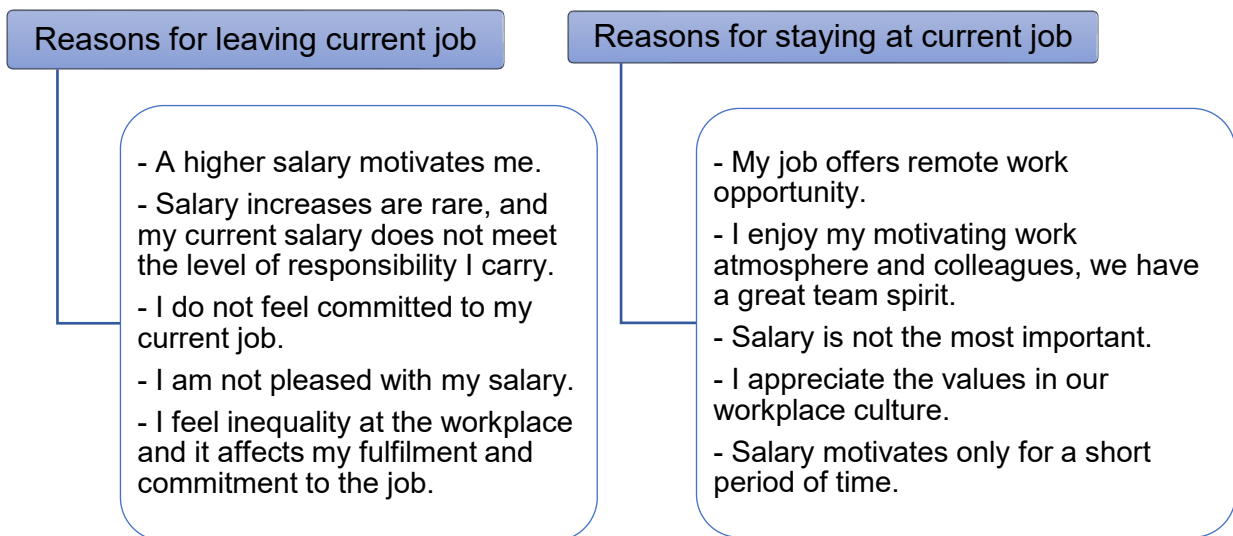


Figure 22. SmartArt depicting reasons for leaving current job and reasons for staying at current job

4.6 Additional motivators for SMEs

The last question (question 18) of the online questionnaire was an open-ended question with an optional response field. It asked, “Can you think of any other possible factors that (would) motivate you in your current job?”. The most reoccurred answers, simplified, are presented in figure 23.

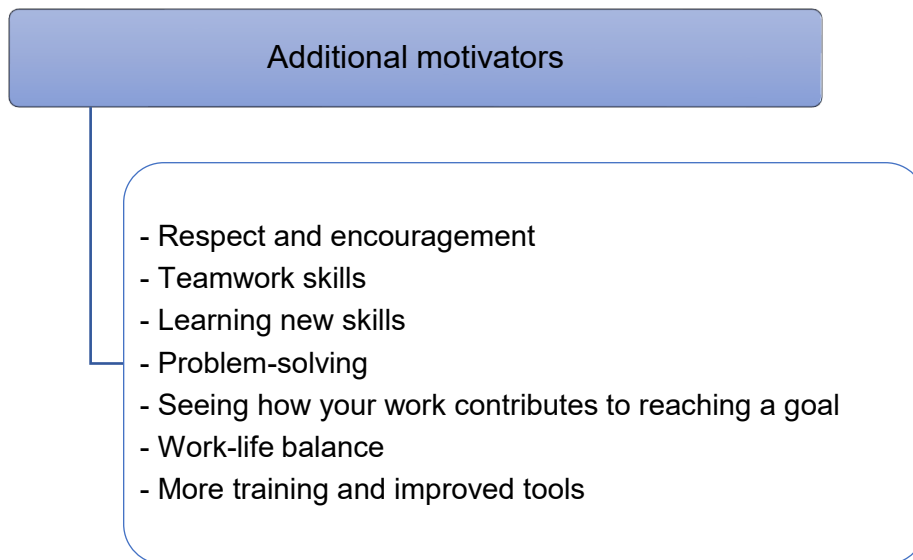


Figure 23. SmartArt depicting additional motivators of employees in Finnish SMEs from an open-ended question

4.7 Comparison of results between partner SMEs

The results from this chapter are average scores collected from the sample of 151 employees. Nonetheless, there are discrepancies that should be considered when discussing results and coming to a conclusion. Results do not show divergence in answers between companies, which means that the overall results for this questionnaire may be significantly different to the results of a singular company. For example, the data in figure 19 presents the factor “increased responsibility” as the lowest scoring Motivator factor on average, yet 11% of respondents gave this factor a score of 1 (highest motivator) and 16% a score of 2 (second highest motivator). In fact, the employees who ranked increased responsibility high on the list in most cases worked at the same companies.

5 Discussion

This chapter discusses the key outcomes of the data collection in relation to the research hypotheses, and sections are arranged accordingly. As a reminder, the four hypotheses of this study were:

- #1 The original Dual-factor theory is only somewhat applicable in today's work life, because the factors leading to job satisfaction and motivation have changed. Influences from employee age, years of work at current job and supervisory positions should be considered in results.
- #2 The Covid-19 pandemic has created new sources of employee motivation, such as remote work.
- #3 It is possible for the Hygiene factor salary to motivate individuals.
- #4 The Motivator factors of employees in Finnish SMEs in 2023 are salary, work itself, responsibility, and personal growth.

5.1 Relation between job satisfaction and motivation

To begin, the first part of hypothesis #1 states that the Herzberg's Dual-factor theory is only somewhat applicable in today's work life. The theory suggests that the factors that lead to job satisfaction will consequently lead to employee motivation. The purpose of the comparison chart (figure 11) was to analyse whether there is a correlation between the level of job satisfaction and the level of motivation of respondents. The most noticeable difference was on the somewhat agree option of the Likert scale, where a higher number of the respondents felt satisfied with their job than motivated. Nevertheless, the shapes of the graphs had resemblances with peaks at "somewhat agree" for both job satisfaction and motivation. This result supports the Dual-factor theory in terms of the perceived causal relationship between job satisfaction and motivation.

5.2 Job satisfaction and motivation levels based on age, years of work and supervisor position

Furthermore, hypothesis #1 continued by stating that employee age, years of work at current company and supervisor positions should be taken into consideration when analysing the results. After collecting data of current job satisfaction and motivation levels in subchapter 4.2, the results were analysed in cross-tabulating subgroups: age, years of work and supervisor role.

Firstly, figure 12 depicts the results of job satisfaction and motivation levels based on the independent variable of employee age. There is a clear distinction between age groups and most significantly between the highest and lowest levels of job satisfaction and motivation. Highest

satisfaction and motivation levels were experienced by the group of 46-55-year-olds, whereas 25-35-year-olds scored remarkably lower.

Secondly, figure 13 depicts the results of job satisfaction and motivation levels based on the independent variable of years of work at the current company. The bar chart presents that most satisfied and motivated were employees who had worked at the company for a maximum of two years, and as a close second the employees who had worked for over ten years. The levels of 3–10-year workers are equal in both job satisfaction and motivation, and score relatively lower than the other groups.

Lastly, when supervisor position was set as an independent variable, it can be noted from figure 14 that employees with subordinates score higher on average on levels of job satisfaction and motivation compared to employees without subordinates.

These results support hypothesis #1, because of the difference in satisfaction and motivation levels of individuals depending on employee age, years of work at the company and supervisor role.

5.3 Motivators based on age, years of work and supervisor position

Moreover, the research continued by analysing the applicability of the Dual-factor theory by collecting data on the biggest motivators of employees. This section analyses results based on the cross-tabulating subgroups of employee age, years of work at the company and supervisor role.

Firstly, figure 29 (appendix 5) presents the results of the biggest motivator factors based on the independent variable of employee age. The biggest fluctuations are seen in results for increased responsibility and personal achievements, and most consistency is depicted for the pleasant colleagues' category. Salary took second place in the overall results.

Secondly, figure 30 (appendix 6) depicts the results of the biggest Motivator factors based on the independent variable of years of work at the company. The results show great variations in the categories of increased responsibility and work itself. This is noteworthy, because the overall results of figure 19 classified work itself as the biggest motivator, whereas increased responsibility as the least motivating.

Lastly, when supervisor position was set as an independent variable, it can be noted that supervisors are significantly less motivated by increased responsibility (figure 31, appendix 7). Workers without a supervisor role chose personal achievements as the least motivating factor from the list. Scores for personal achievements, pleasant colleagues and salary did not show variation between supervisor role and no supervisor role.

These results are supporters of hypothesis #1, since the ranking of motivators has notable fluctuations when deciphering between employee age groups and long-term and newer employees in the company. The distinction between supervisors and non-supervisors was most significant in increased responsibility.

5.4 Covid-19, remote work and motivation

Furthermore, hypothesis #2 predicted that the Covid-19 pandemic has created a new source of employee motivation: the possibility of remote work. This was tested in two different ways.

Firstly, respondents were asked on a Likert scale, if they believe that their Motivator factors before the pandemic were different to their post-pandemic motivators. The results are depicted in figure 15, where 16% of respondents either somewhat agreed or strongly agreed with this statement, a fifth were neutral, and the majority have not witnessed notable changes. This was followed by an open-ended question gathering qualitative explanations from those who agreed with the previous statement. The top answers are simplified in figure 16. Namely increased appreciation towards co-workers and leisure time, as well as the opportunity to work from home were described as new, post-pandemic sources of motivation. Additionally, independent work, or more specifically the lack of interdependence was brought up as another positive of working remotely and attending meetings online. These qualitative insights were important additions to figure 15, to deepen understanding of *how* the Motivator factors have changed.

Secondly, respondents were faced yet again with a Likert scale statement, however the question focused solely on remote work and motivation. 64% of respondents strongly agree, and 16% somewhat agree, that the possibility of working remotely motivates them. 8% of respondents are incapable of working remotely due to the nature of their work, and only 6% somewhat disagreed or strongly disagreed with the statement. (Figure 17.)

It was established that the first Likert scale question was not a supporter of hypothesis #2 since the majority of the respondents did not notice a difference between their pre- and post-pandemic motivators. However, the portion of respondents who did notice a difference, brought up the appreciation towards co-workers and the opportunity to work from home. However, the last Likert scale question indirectly supports the hypothesis, where remote work is considered a strong motivator.

5.5 Testing and analysing Motivators

Hypothesis #3 claims that the hygiene factor salary can motivate individuals. Additionally, hypothesis #4 stated that the Motivator factors of employees in Finnish SMEs in 2023 are salary, work itself, responsibility, and personal growth. Section 4.5 gathered data of the biggest motivators with

three different question types: a ranking question, a multiple-choice question, and close-ended questions with two response choices.

Firstly, the ranking question presents a list of five factors, which were a combination of Herzberg's Hygiene and Motivator factors and asks respondents to rank the factors on a scale from 1= most motivating to 5= least motivating (figure 19). The purpose of this question was to test whether a classified Hygiene factor could possibly score higher than a classified Motivator factor. The clustered column chart depicts that the most motivating factor was work itself, followed by salary and pleasant co-workers, and the least motivating factors were personal achievements and increased responsibility. These results contradict Herzberg's theory, because the Hygiene factors salary and interpersonal relationships are considered more motivating than achievements and responsibility.

Secondly, the multiple-choice question asks respondents to choose three factors from a list of seven, based on their capability of motivating them at the workplace (figure 20). The top choices in this test were a salary increase, recognition for successful work, and achieving personal goals. Co-worker relations scored lower when recognition was brought into the equation. Once again salary was one of the most common answers.

Lastly, the four close-ended questions juxtapose one of Herzberg's Hygiene factors with one of his Motivator factors, to test which one the respondent would find most motivating. When put side by side, personal/professional growth scored slightly higher than a salary increase. However, when compared to increased responsibility, the salary increase was significantly more motivating. Moreover, recognition for successful work scored slightly higher than better relationship with colleagues, although opportunities for advancement was equally as motivating as the relationship among colleagues.

Each test supports the hypothesis #3, suggesting that the Hygiene factor salary can also be considered motivating. Additionally, interpersonal relationships placed well in the first and last tests.

5.6 Salary and employee retention

To further challenge the role of salary as a motivator in the workplace, a hypothetical scenario was created, where respondents were offered a higher salary for the same job at another company. The respondents chose between strongly disagree to strongly agree, whether they would choose to stay in their current job in this situation (figure 21). The purpose of this question was to see what the role of salary is on employee retention, to measure whether extrinsic motivation of employees is higher than intrinsic motivation.

The results on the Likert scale present that employees are not completely committed to their job, since most are not intrinsically motivated to stay. Almost half of respondents feel like they would not stay in their current job if a better salary opportunity was provided for the same position at another company. The following qualitative question collected insights on why employees would choose to stay or to leave their current enterprise, presented in figure 22.

The top answers for leaving the job included admitting that higher salary is motivating, and current salary does not meet expectations. Additionally, lack of commitment to the current job increases the will to leave, for example due to inequality at the workplace. In contrary, top reason for staying included a motivating work environment and a great team spirit among colleagues, as well as appreciation towards a remote work opportunity and work culture values. Respondents who agreed to stay regardless of exterior offers feel that salary is not the most important, and a salary increase would motivate only for a short period of time.

These results support but also challenge the role of salary as a motivator. They support hypothesis #3 by indicating that salary can influence motivation, whereas it also brings up additional factors that were considered alongside the improved salary, as a reason to leave or to stay at the current job. For example, inequality at the workplace is a factor that affects willingness to leave, and conversely a motivating work environment affects willingness to stay. It can be concluded that in most cases, salary on its own was not the main reason to leave or to stay, but it was rather paired with other factors that satisfied or dissatisfied individuals at the workplace.

Furthermore, this high number of employees choosing to leave their current job contradicts the average levels of satisfaction and motivation in figure 11, in the perspective of the Dual-factor theory. Most respondents either strongly agreed or somewhat agreed that they feel engaged, fulfilled and motivated at work (figure 11), yet another majority would strongly or somewhat consider leaving for a better salary (figure 21). Employee retention is challenged when higher salary is considered as a motivator for employees.

5.7 Additional motivators

Throughout the questionnaire, the close-ended questions focused on a set of factors from Herzberg's list of Hygiene and Motivator factors. Some intentionally left out factors were e.g., challenging work, policies and administration, status, and working conditions. The last question of the online questionnaire, an open-ended question, studied whether these factors would arise when respondents are given the chance to freely name additional possible motivators in the workplace. This question had an optional response field, and 65% of the sample chose to answer.

Factors related to teamwork and interpersonal relationships were frequent in the results. For example, teamwork skills, respect and encouragement, and contribution to a common goal. Additionally, employees would feel motivated from learning new skills, solving problems, and having better tools and improved training in their job. And lastly, the concept of creating a stable work-life balance was valued.

5.8 Summary of differences between Herzberg's Motivator Factors vs. Motivator Factors of Finnish SMEs

Herzberg studied that factors such as challenging work, responsibility, personal growth, and achievement were satisfiers and long-term motivators for employees. The research collected quantitative and qualitative data to suggest Motivator factors for employees in Finnish SMEs. Figure 24 presents that employees are most satisfied by the work itself, with a controlled work-life balance, including the opportunity for remote work when possible. They are also motivated by personal and group achievements and a fair salary, and they cherish interpersonal relationships. Lastly, employees are motivated by the values in their organisational culture, and excel in environments where employees are respected, given recognition, and given the opportunity to learn.

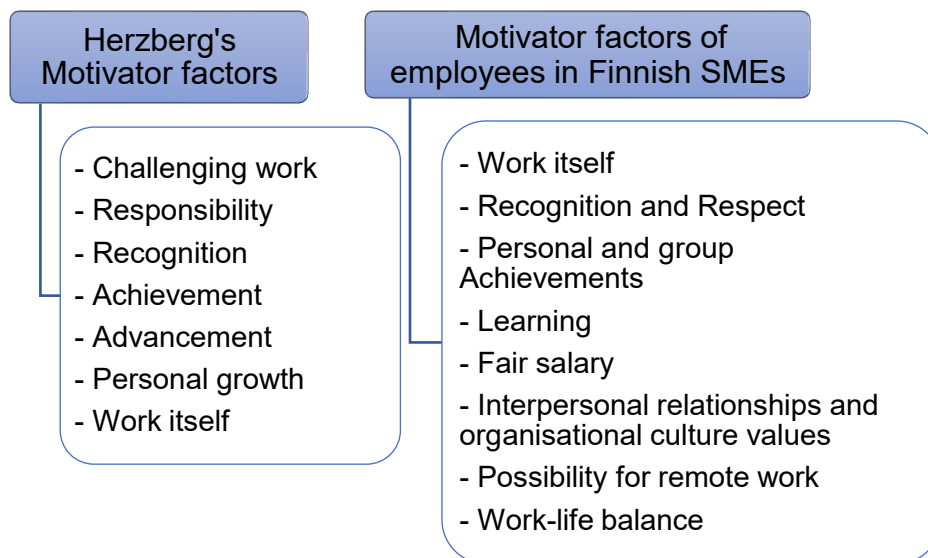


Figure 24. SmartArt depicting the comparison between Herzberg's Motivator factors and the Motivator factors of employees in Finnish SMEs

6 Conclusion

6.1 Purpose of the study

The purpose of this study was to challenge the reliability and validity of the almost 70-year-old Dual-factor theory of motivation by Frederick Herzberg, and to determine the motivators of employees in Finnish SMEs in 2023. Data gathering was conducted with a quantitative methodology with some qualitative elements and analysed in different subgroups, to minimise biased results and increase generalisability of results. The goal was also to provide enterprise-specific analyses of results to partner SMEs, whose employees were part of the 151 questionnaire respondents.

6.2 Answering auxiliary questions

By testing out the Dual-factor theory with an online questionnaire, the results established answers to the auxiliary questions, to ultimately help answer the research question of the study, "What are the Motivator factors of Finnish SMEs in 2023?".

Firstly, the study sought answers to the auxiliary question "To what extent is the Dual-factor theory applicable in today's work life?", in the context of Finnish SMEs in 2023. The results suggest that the Dual-factor theory is only partially applicable. There is a notable correlation between the levels of job satisfaction and motivation of employees which supports the theory, however these levels are challenged when measuring employee retention. Notably, higher levels of satisfaction and motivation do not guarantee low employee turnover when employees are highly motivated by the intrinsic motivator, salary. This observation questions Herzberg's theory as an applicable and trustworthy determinant of employee motivation.

Additionally, factors such as the work itself, recognition, and achievement scored highly as employee motivators, similarly to Herzberg's study. Nevertheless, due to the influence of employee age, years of work at the company, and possible supervisor positions, the results show great variance between subgroups and therefore the results would not be guaranteed to apply to each individual employee. The results support the claims by Brenner et al. (1971, 362), which state that Herzberg's Motivator factors are individual-specific, and thus cannot be generalised.

Furthermore, the second auxiliary question, "To what extent has the Covid-19 pandemic influenced the sources of employee motivation?" sought to find new motivators created because of the pandemic and increased digitalisation. Respondents did not directly find relations between their level of motivation and the pandemic, although it was studied through qualitative questionnaire statements that appreciation towards coworkers has increased after periods of remote-heavy work. The claim by Denny (2009, 27) is supported by these results, where the sense of belonging to a group

is believed to increase individual motivation levels. However, due to low agreement rate in the questionnaire, the connection between Covid-19 and the change in motivators cannot be fully supported. Moreover, the opportunity to work from home as a source of motivation has arisen. Individuals appreciate being able to control their work environments and manage their work-life balance effectively. In fact, results show that a portion of employees without remote work possibilities would be motivated by this opportunity.

Lastly, the third auxiliary question asked, “Is it possible for Hygiene factors to motivate individuals?”, with the goal of challenging Herzberg's distinction between non-motivators and motivators. The results of this study present that in the case of Finnish SMEs, Hygiene factors such as salary and interpersonal relationships can genuinely be considered as satisfiers and long-term motivators. Surprisingly, the role of salary at the workplace is so important that the majority of employees would somewhat consider or strongly consider leaving their current workplace to pursue higher salaries elsewhere. This observation can be harmful for SMEs in the long run, and it supports the study by Behling et al. (1968, 102), where salary was measured as a motivator among employees. Fortunately, the extrinsic motivator, salary, is only a singular Motivator factor for employees in Finnish SMEs, among intrinsically motivating factors. Senior management should therefore focus on building and emphasising intrinsic motivators of employees at the workplace, such as respect, a stable work-life balance, as well as building team spirit, to avoid dependency on salary as the main source of fulfilment and motivation.

6.3 Answering research question: A comprehensive summary

To conclude, the research question of the study can be answered with the help of the auxiliary question answer and data from subchapter 5.8. The research question stated: “What are the Motivator factors of employees in Finnish SMEs in 2023?”. Employees in Finnish small and medium-sized enterprises are most motivated by:

- **Work itself:** Employees find satisfaction in the day-to-day activities of their current job.
- **Recognition and Respect:** Employees want to receive recognition for their successful work, and they wish to work in an environment where individuals are respected.
- **Personal and group Achievements:** Employees are motivated by achievements on a personal and group-level. Seeing individual work contributing to a greater goal will satisfy each member of the team.
- **Learning:** Employees enjoy acquiring new skills, growing at the workplace, solving problems, being trained effectively, and possessing up-to-date working tools.

- **Salary:** Employees want to receive fair salaries, which eliminate any inequalities among employees performing the same jobs, and which meet the level of difficulty and responsibility carried by the individual.
- **Interpersonal relationships and organisational culture values:** Employees are motivated when work atmosphere is motivating, with a great team spirit shown in teamwork. The values of the organisational culture are respected and are sources of motivation for individuals.
- **Possibility for remote work:** Employees should be given the opportunity to work remotely if the employee's job physically allows for it. This ameliorates the individual's possibility of controlling their work environment.
- **Work-life balance:** Employees wish to create a stable work-life balance, where recreation and rest is encouraged outside of working hours. This will motivate employees to perform better at work.

6.4 Meeting hypotheses

The key results of the study are summarised and compared with the hypotheses for each auxiliary and research question in table 5.

Table 5. Table presenting the questions alongside their respective hypotheses and results

Auxiliary & research questions	Hypothesis	Result
To what extent is the Dual-factor theory applicable in today's work life?	The original Dual-factor theory is only somewhat applicable in today's work life because the factors leading to job satisfaction and motivation have changed. Influences from employee age, years of work at current job and supervisory positions should be considered in results.	The causal relationship between job satisfaction and motivation is supported, but salary challenges employee retention. Employee age, years of work at current job and supervisor positions influence results, limiting reliability. Factors leading to job satisfaction and motivation have changed.
To what extent has the Covid-19 pandemic influenced the sources of employee motivation?	The Covid-19 pandemic has created new sources of employee motivation, such as remote work.	The Covid-19 pandemic did not have a direct impact on employee motivation, however the possibility for remote work is now a strong motivator.
Is it possible for Hygiene factors to motivate individuals?	It is possible for the Hygiene factor salary to motivate individuals.	The results suggest that salary and interpersonal relationships can motivate individuals.
What are the Motivator factors of employees in Finnish SMEs in 2023?	The Motivator factors of employees in Finnish SMEs in 2023 are salary, work itself, responsibility, and personal growth.	The Motivator factors of employees in Finnish SMEs in 2023 are work itself, recognition and respect, salary, and interpersonal relationships (full results in subchapter 6.3).

6.5 Generalisability and application of results

The results of this research-based thesis contribute to a new understanding of the Dual-factor theory of motivation, because the data successfully present that there are some exceptions to Herzberg's theory in the case of employees in Finnish SMEs. The study suggests that it is important to conduct employee-specific research on Motivator factors, because influences such as employee age, years of work at the company, and a possible supervisor role can cause discrepancy in the results. Additionally, external factors, in this case the Covid-19 pandemic, can somewhat alter the results. Therefore, it can be argued that the original Dual-factor theory is not a generalisable theory of motivation.

Furthermore, the results of this study are concluded based on the highest scores and most frequent qualitative answers from the online questionnaire, with supporting research and theories from the theoretical framework. However, results cannot be fully generalisable for all employees of Finnish SMEs, due to notable differences between results of partner SMEs, as well as the current sample size. Nevertheless, the results of this paper are a sign that employee motivators are changing, and motivation theories may become outdated. The results can act as an initiator of larger conversations and studies about motivation and satisfaction at the workplace, with the updated list of motivators (subchapter 6.3) as a starting point for creating change. Henceforth, the senior management of Finnish SMEs should study motivators within employee subgroups, to determine the factors influencing motivation levels of different employee demographics more accurately. Conversations about employee job satisfaction and motivation should be held regularly to keep track of potential changes, to readjust HR strategies and ultimately enhance employee productivity and retention.

The partner SMEs of this study received reports depicting satisfaction and motivation levels, as well as Motivator factors, based on the employee subgroups of age, years of work at the company, and supervisor position. Additionally, the reports presented feedback from employees on what they believe would increase their motivation levels at work. To protect result anonymity, the reports are not presented in this thesis. These results are much more applicable and reliable on an organisational level than the overall study results, since the data are more precise, with fewer errors, and focusing on the company itself. Company-specific results allow for the results to be put into practice, to influence job satisfaction and motivation levels of individual employee subgroups, and to increase meticulous and successful decision-making by the senior management of SMEs on how to motivate their employees.

6.6 Recommendations for further study

Finally, future studies on the applicability of the Dual-factor theory on employees in Finnish SMEs should be developed by increasing the overall sample size. This would also allow for further discussion on industry-specific results, and to identify clearer patterns between employee subgroups. These additions could participate in creating a more well-rounded, generalisable list of motivators for Finnish small and medium-sized enterprises in 2023.

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Appendices

Appendix 1: How the Dual-factor theory compares to other motivation theories

Theory	Brief explanation of theory	Comparison to the Dual-factor theory of Motivation by Herzberg
Maslow's Hierarchy of Needs, 1943	<p>Portrayed as a pyramid, the lower levels include the most basic human needs, while the highest levels include esteem and self-actualising needs (McLeold 2018, 3-6). This hierarchy suggests that people are motivated to fulfill basic needs before moving on to other, more advanced needs (Benson & Dundis 2003, 315).</p>	<p>Rather than a ranking, Herzberg's theory presents two groups: one with basic human needs, and the other with motivators. Maslow's "more advanced needs" can be compared to Herzberg's Motivator factors. Herzberg doesn't suggest that needs should be fulfilled in order. He believes that meeting Maslow's lower-level needs simply reduce dissatisfaction rather than increase satisfaction or motivation (Burke 1987, 517-520).</p>
Self-Determination Theory by Deci and Ryan, 1985	<p>To achieve personal growth, people need to achieve Autonomy (feeling like they are in control of their goals), Competence (gaining mastery of tasks) and Relatedness (experiencing a sense of belonging). These are intrinsic motivators, something we do for inherent joy rather than for a reward. (Gagné & Deci 2005, 331-362)</p>	<p>Herzberg also distinguishes between extrinsic (Hygiene) and intrinsic (Motivation) needs. The three SDT factors are also present in Herzberg's Motivator factors: Autonomy = responsibility, competence = advancement, and relatedness = recognition. Although, relatedness also assumes human connection, which Herzberg classified as a Hygiene factor rather than a Motivator factor.</p>
McClelland's Human	<p>Identifying motivation drivers based on personality. These drivers are the Need for Affiliation, the Need for Power, and the Need for Achievement. Each individual falls into one of these</p>	<p>According to Herzberg's theory, McClelland's Need for Affiliation would fall into Hygiene factors since the individual focuses on building friendships rather than striving to complete their</p>

Theory	Brief explanation of theory	Comparison to the Dual-factor theory of Motivation by Herzberg
Motivation Theory, 1961	categories and possesses individual characteristics. (Miner 2008, 14-17)	personal goals. Need for Achievement falls into Herzberg's Motivator factors. Need for Power is somewhat in the middle of the two, where status is considered important, but so is being recognised. Parlee (1990, 18) argues that McClelland's high achievers would be interested in Herzberg's Motivators, whereas low achievers are more concerned with meeting Hygiene factors.

Appendix 2: Cover letter, sent via Email

To whom it may concern

My name is Venla Pohjanheimo, I am a third-year BBA student at Haaga-Helia University of Applied Sciences, and I specialise in human resources and leadership. I am currently writing my bachelor's thesis and my goal is to determine which factors result in long term motivation of employees in Finnish SMEs in 2023. I am gathering data through an online questionnaire, and I would be very glad if the employees at [company name] would be among respondents.

Long term employee motivation is a valuable asset to an organisation since it improves the performance and efficiency of individuals in their working environment. This results in enhanced employer branding and consequently enhances employee retention. Work motivation is achieved by focusing on factors that build job satisfaction. I am analysing the results of my questionnaire with reference to the Dual-Factor theory of motivation by the psychologist Frederick Herzberg.

The senior management of [company name] will receive a summary of their company results and find out how motivated their employees are at work and how this level could possibly be raised. Company-specific scores will not be presented in the thesis; I will only mention, which companies took part in the study. Your company may choose to stay anonymous if this is how you wish.

Instructions for respondents: The questionnaire is anonymous! Completion takes roughly 3-5 minutes. The job-levels of respondent should be between entry-level to middle management. Please read the questions carefully and answer as honestly as possible.

Here is the link to my questionnaire! You may carefully study it before making a final decision. The questionnaire link can be sent via email to respondents. [insert link]

We can decide upon response time together once you have made your decision. I am collecting data through March and the beginning of April.

Thank you in advance! If any questions arise, I am happy to answer them.

Best regards,

Venla Pohjanheimo

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Appendix 3: Online questionnaire structure and questions

Employee motivation

Job satisfaction is described as the measure of how **engaged and fulfilled** employees feel in their work environment. *Motivation* is defined as the process that initiates, guides, and maintains goal-oriented behaviours. The factors affecting job satisfaction can vary from employee to employee. Increased and maintained job satisfaction will increase **motivation** in the long run, enhancing employee productivity and decreasing voluntary turnover.

The purpose of this survey is to find out which factors lead to long term motivation of employees in Finnish SMEs in 2023. This survey will remain anonymous. Please think carefully before answering and try to be as honest as possible.

I will be analysing this data in my bachelor's thesis. Thank you for participating!

* = answer required

1. How old are you? *
 - a) Under 25
 - b) 25-35
 - c) 36-45
 - d) 46-55
 - e) Over 55

2. "I have been working in this firm for..." *
 - a) Less than a year
 - b) 1-2 years
 - c) 3-5 years
 - d) 6-10 years
 - e) More than 10 years

3. "I have the possibility of working remotely." *
 - a) Yes
 - b) No

4. "I have subordinates." *
 - a) Yes
 - b) No

Appendix 4: Pie charts depicting choice between two factors

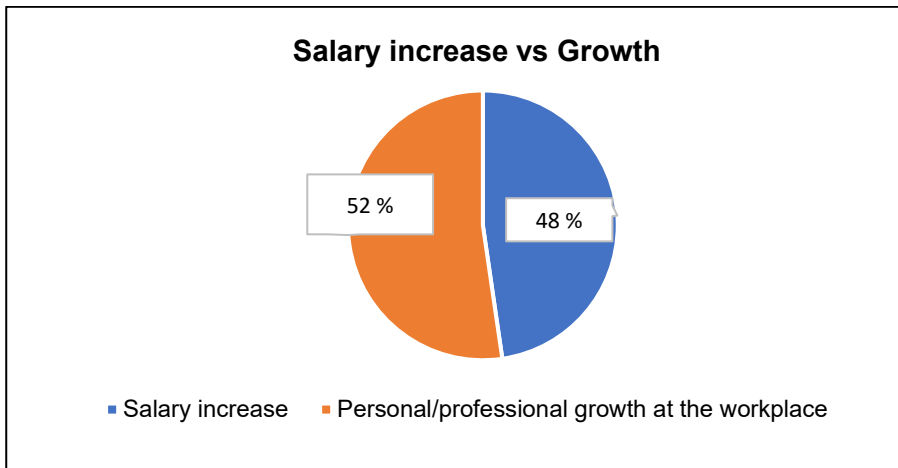


Figure 25. Pie chart depicting choice between a salary increase and growth at the workplace

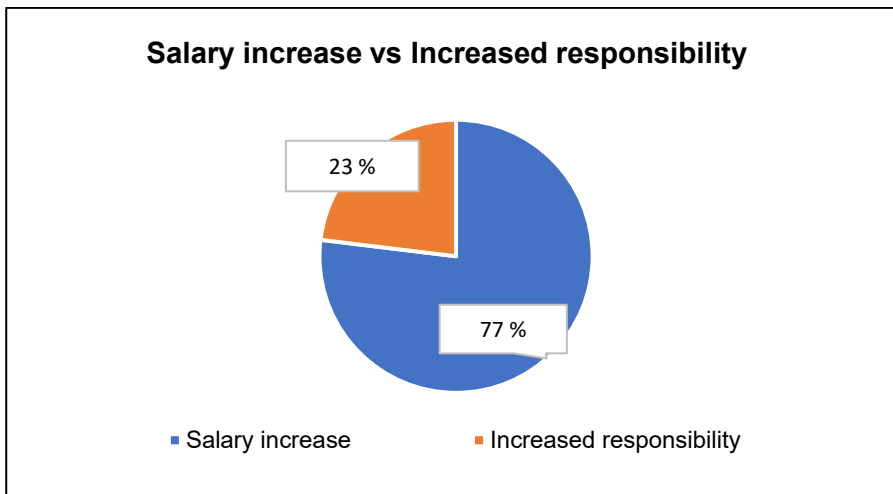


Figure 26. Pie chart depicting choice between a salary increase and increased responsibility

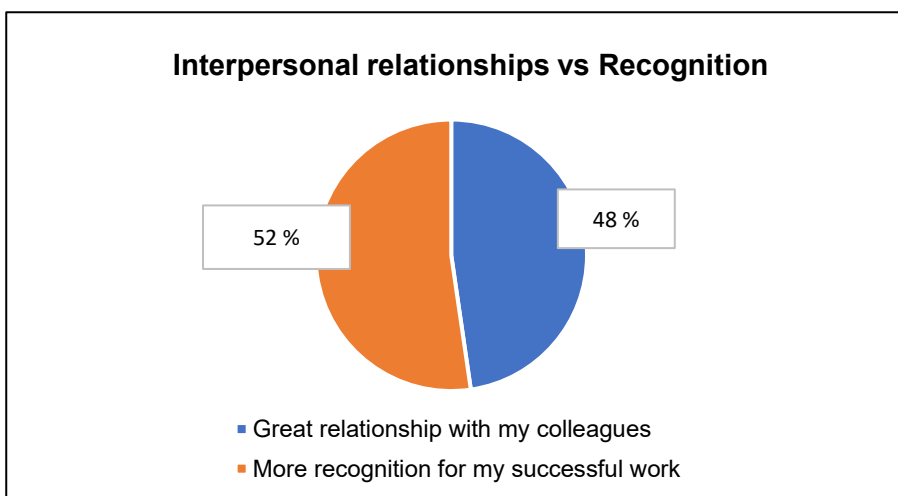


Figure 27. Pie chart depicting choice between interpersonal relationships and recognition

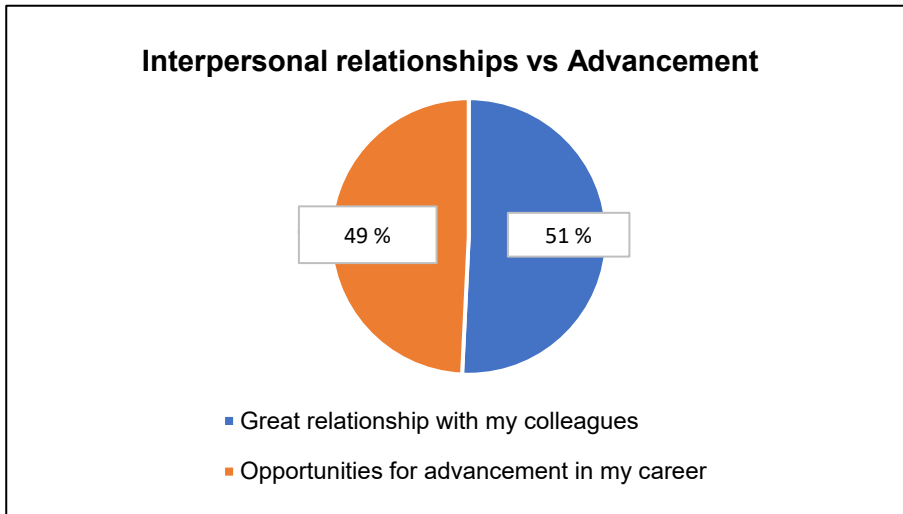


Figure 28. Pie chart depicting choice between interpersonal relationships and advancement

Appendix 5: Ranking motivators based on employee age

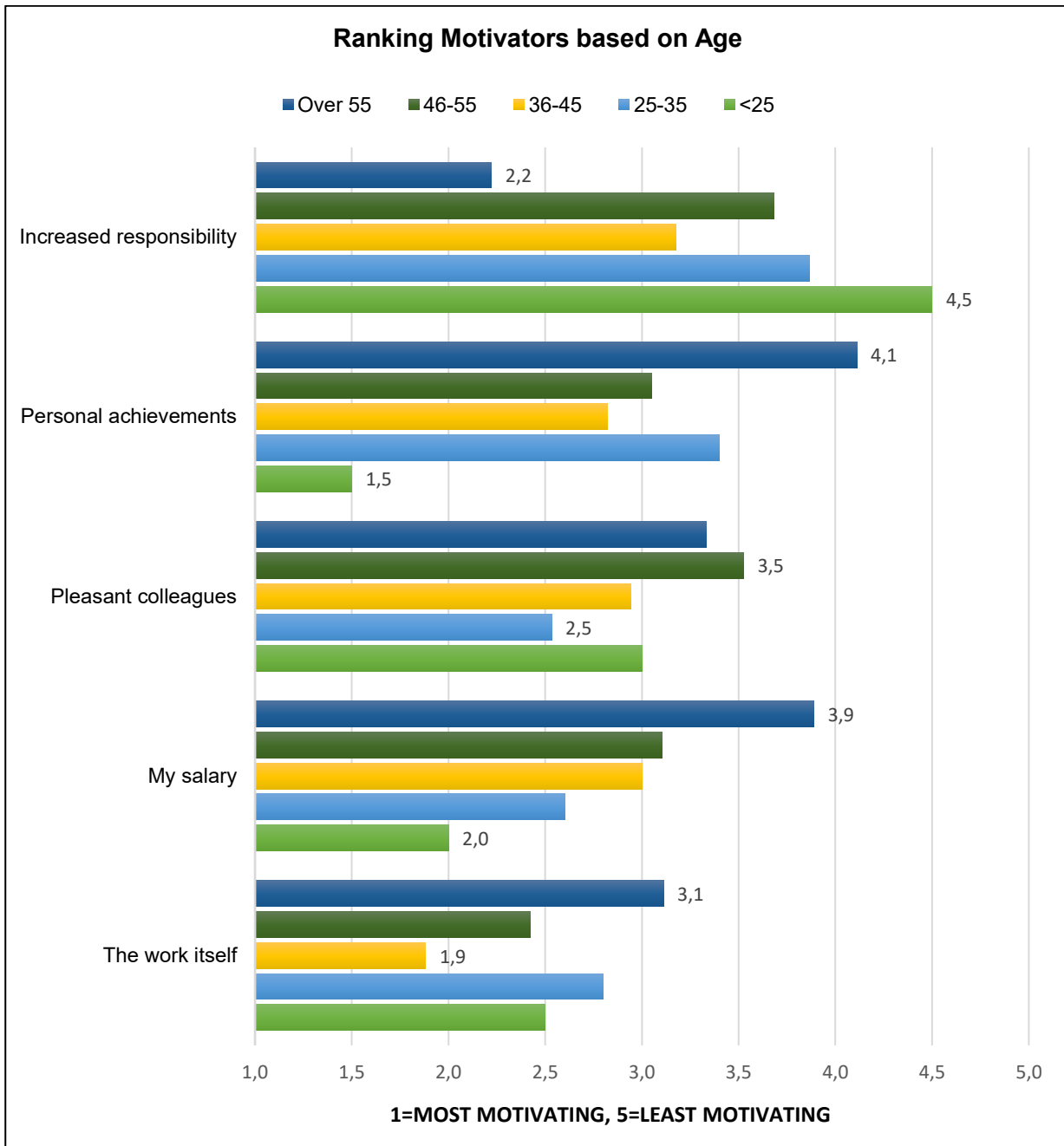


Figure 29. Bar chart depicting motivation levels based on employee age groups, for each motivator

Appendix 6: Ranking motivators based on years of work at the company

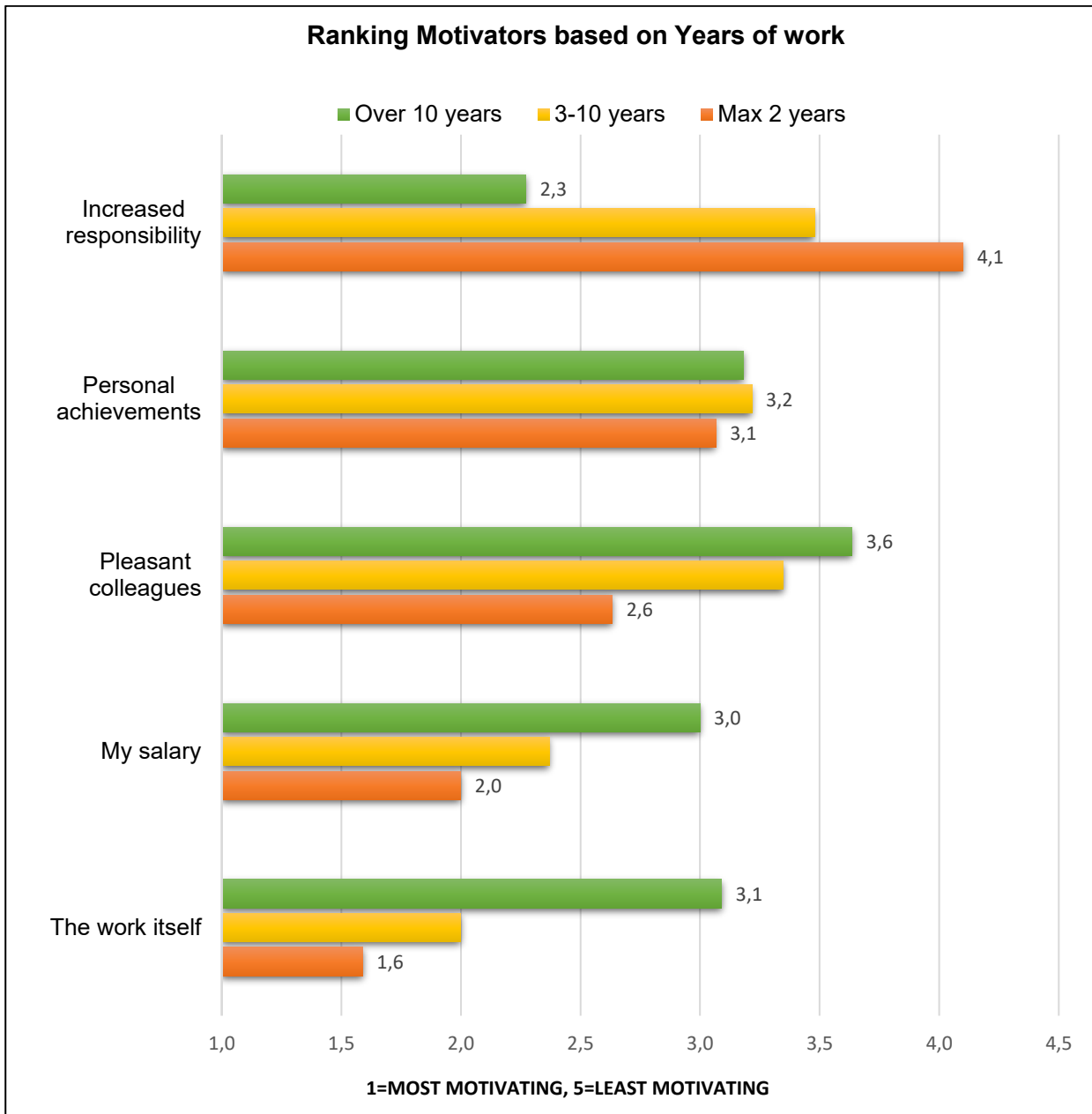


Figure 30. Bar chart depicting motivation levels based on the employee's years of work at the company, for each motivator

Appendix 7: Ranking motivators based on supervisor role

Figure 31. Bar chart depicting levels of motivation based on supervisor role, for each motivator