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Case study: How internal communication influences employee motivation in a hybrid working model

Sap Barcelona Digital Hub

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Abstract

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The purpose of this study was to explore the connection between internal communication and employee motivation in a hybrid working model setting. To narrow down the scope; the study was conducted as a case study in SAP's Digital Hub in Barcelona. It is essential to examine how employee motivation and internal communication behave in a hybrid working setting, and what is the correlation between these factors.

The literature review is divided into three sections and topics: internal communication with media richness theory, extrinsic and intrinsic motivation with two motivation theories, and the world of hybrid and remote work. The core literature and foundation for the analysis were Frederick Herzberg's Two-Factor theory, Maslow's Hierarchy of needs, thematic analysis, and regression analysis. The research method for this thesis was qualitative, forming of 12 semi-structured interviews and a questionnaire with a reach of 30 respondents. Both research methods were conducted internally in the Digital Hub of Barcelona of SAP.

The findings of this thesis showcase how internal communication functions in the case study company, what motivates the employees, and what role and impact hybrid work has in this scenario.

Keywords: Internal communication, employee motivation, hybrid working model, remote work

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Glossary

| HON | Hierarchy of Needs. |
|-----|---|
| ICT | Information and communication technologies. |
| SAP | System Analysis Program Development. |

1 Introduction

This thesis will discuss factors around the research question: "*How internal communication influences employee motivation in a hybrid working model?*", focusing on a case study in SAP Barcelona's digital Hub in which hybrid work has been implemented in the work life. The literature review is spread across three sections and topics: internal communication, employee motivation, and remote and hybrid working.

It can be challenging to distinguish the relationship between employee motivation and internal communication, neither of the factors produce direct quantitative results that can be appraised and applied to numbers and analyses. For example, in finance 1+1 equals two, but in communication when one communicates with another, the result can vary completely depending on the communicator, the receiver's interpretation, the place of communication, its channel, and possible noise. A strong positive impact from these factors is favourable, but as it is a two-sided door, the impact can also work negatively, which could have serious short- and long-term impacts on companies. If employees experience challenges when it comes to communication, how does it impact their motivation? And what role does hybrid work have in the scenario?

The importance of the topic is undeniable: companies rarely exist without their employees. Furthermore, people tend to stay within companies if they are motivated and satisfied. Hence, acknowledging the impact of internal communication on employee motivation as well as understanding the role of hybrid work and its effects can prove to be beneficial for a business. Uncovering underlying factors that influence employees' job satisfaction and their performance not only generate success for company but prevent them from employee fluctuation too. The latter often being the cause of financial turmoil. Hence, creating a motivational working environment can lead to company savings as well. Furthermore, if issues occur, identifying and minimizing the root cause can be a more sustainable solution in the long term, rather than easing the recurring problems one by one.

Currently, researchers have been invested in studying communication and motivation as their own topics. Various studies have aimed at objectives such as employee engagement, motivation, and internal communication, which was useful for literature mapping. Many databases such as online libraries have available literature about research methods, business communication, and employee motivation. Hybrid work has evolved drastically in the recent years, and the most up to date literature was found in peer reviewed academic articles.

1.1 Focus on internal communication

This thesis analyses how internal communication has evolved in recent years because of changing circumstances that took place due to the pandemic. The latter introduced new channels simplifying daily communication around the world. Communication is highly relevant in the workplace, especially when it comes to the performance of groups since people spend approximately 70% of their waking hours communicating (Björn, 2022).

Primarily, the focus on the qualitative research is on the communication channels and how internal communication influences employees in the case study company, i.e., SAP Barcelona. The literature review discusses communication processes, forms and directions of internal communication, media richness theory about rich and lean media, as well as current tools and channels.

1.2 Focus on employee motivation and the psychological theories

One of the main themes of this thesis lies in discussing the correlation between employee work motivation and the resulting contribution to the company and its performance. Extrinsic and intrinsic motivation as well as theories around employee motivation and employee engagement, will be analysed. The gathered data will be evaluated with the support of two globally known theories in psychology: primarily focusing on the two-factor theory that was established in 1959 by Frederick Herzberg. To support the findings and gain a deeper understanding of employee's needs, Abraham Maslow's hierarchy of needs will provide a base for a secondary analysis of the qualitative data.

1.3 The hybrid working model

The pandemic transformed the way of working, and hybrid and remote work became more familiar to many workers around the world. The so-called axes of work are pivoting simultaneously in terms of place, time, and ways of hybrid collaboration are designed with only a few precedents to look examples from (Gratton, 2020).

The central theme of this thesis is in the context of post-pandemic work organizations and contrasting approaches to remote and hybrid working models that have emerged into frequently used tools in the corporate world. The discussion will focus on SAP's way of hybrid work, while the literature review will focus on topics that influence hybrid work such as work arrangements, types of tasks and schedules.

1.4 The case study: SAP Barcelona digital hub

The case study company, SAP, is founded in 1972, and currently one of the world's leading producers of enterprise application software for the management of business processes, developing solutions that facilitate effective data processing and information flow across organizations. SAP employs around 110,000 employees globally (SAP, 2023). This thesis will specifically focus on SAP's Digital Hub in Barcelona. The office was established in 2006 and consists of approximately 400 employees. It is a multicultural environment with an open office policy. Cultural diversity is promoted by the 43 different countries and 31 languages that are represented in Barcelona's Digital Hub.

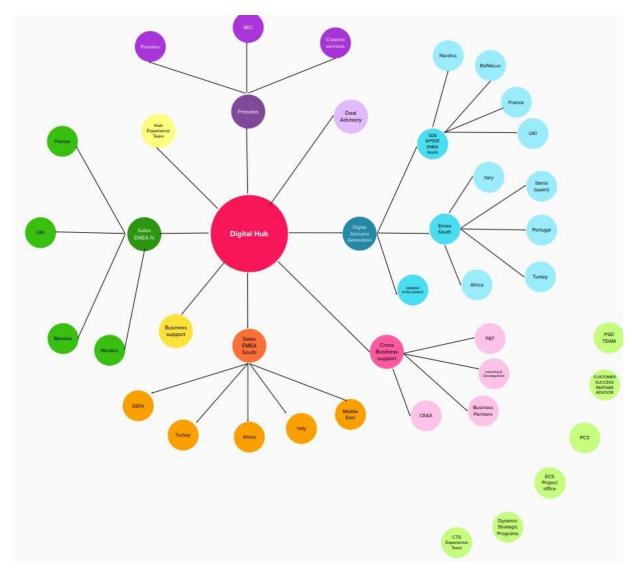


Figure 1 - Organizational chart Barcelona Digital Hub (SAP, 2022)

Figure 1 illustrates the team typology as an organizational chart of Barcelona's Digital Hub. The sample of the case study and qualitative research mainly focuses on the Digital and Demand Generation department which is highlighted in blue and Sales EMEA N which is highlighted in green in figure 1. The author conducted a work placement in the Digital Hub of SAP Barcelona; thus, the data was more easily accessible.

2 Internal communication

This section represents the first part of the literature review, discussing how communication plays a significant role within workplaces. It is omnipresent despite the circumstances or locations. It is established by different communication channels that include internal- and external communication possibilities. The essence of communication is sharing information such as data, insights, inspiration (Bovée and Thill, 2015). Communication can be defined as the process of transferring information and its respective meaning between senders and receivers, by utilizing one or more written, oral, visual, or digital media (Bovée and Thill, 2015). The communication process starts from the source and goes through different formal or informal channels to reach the receiver. However, the message can be influenced by noise, which can occur in different forms (discussed further in the table 1, section 2.2).

Each communicator is diverse from one another and has their personal preference to how communicate and share. Equally, so do the receivers and listeners; they can be active or passive, for instance. Communication appears in different modes such as top-down, bottom-up communication, flat communication, or a mix of them all. It can be perceived as structured, invited, or spontaneous.

Internal communication has shown its importance by becoming the fastestgrowing specialization in public relations and communication management from the 1990s on, first starting in the US and later arriving in Europe. Contemporary society is provided with extraordinary access to various information (Pec, 2020). The latest millennium change manifested itself by creating a strong emphasis on communication skills by integrating them into an individual's required skill set. Communication has become a critical body for organizations and thereby is recognized as a specialty itself (Tkalac Vercic, 2012).

2.1 Categorizing internal communication

Internal employee communication can be perceived in various ways, Holtz (2003) categorized it into four areas: communications required by law, human resources communications, business communications, and informal communication. Leaders are expected to be cognizant of each type of communication, each of the communication domains has its focus. Primarily the focus has been on the last two: business and informal communications, these two types of communications allow leaders to get employees on board with the company's strategies and objectives (Holtz, 2003).

Furthermore, organizations must pay attention to the communications required by law such as informing about data privacy, GDPR, terms and legal requirements that apply to companies and its employees. Legal language should be communicated in a simplified and comprehensive form (Oluwole, 2022). Nonetheless, human resource communication contributes to building relationships such as externally to stakeholders and internally by building trust and connections between employees (HRM Handbook, 2022).

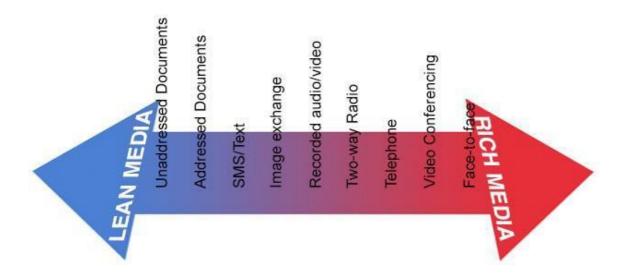


Figure 2 - Spectrum of media richness (Daft., Lengel and Trevino 1987)

Communication can be classified into rich and lean media, which measures the purpose and effectiveness of the communication. Figure 2 shows the spectrum of media richness with examples of rich and lean media. Daft et al. (1986) developed a media richness theory which proposed that the effective use of a communication channel, also referred to as medium, is achieved by matching the richness of a medium and the equivocality of the task. Lean media on the other hand is more suitable and effective for a low level of equivocal tasks (Ishii, Lyons, and Carr, 2019) such as operational tasks or bulk emails.

Furthermore, communication can be synchronous or asynchronous. Synchronous communication occurs in real-time such as face-to-face communication. On the contrary, asynchronous communication is a form of communication that entails a time gap between exchanged information. Asynchronous communication, that is in a text form, for instance, can be lean media, while a video message would be considered rich media.

2.2 Communication process

The communication process is vital part of business communications (Bovée and Thill, 2015). Figure 3 shows the exact communication process. It goes through a cycle where the information is exchanged between individuals, it operates on a sender-receiver model.

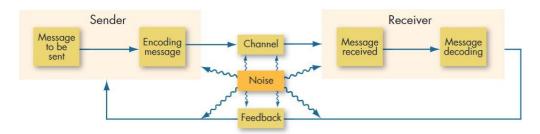


Figure 3 - Communication process (Robbins and Judge 2017)

Firstly, the sender transmits a message to the receiver. Secondly, the receiver gives feedback on the content whilst adding his own personal message (e.g.,

ideas, opinions) to it. The factors of the communication cycle consist of the sender, the receiver, the message, the channel, the encoding, and the decoding along with feedback, response, and noise (Robbins and Judge 2017).

Noise in communication can occur in many forms (see the table 1 for most common ones). Noise represents a communication barrier that distorts the clarity of the message (Robbins and Judge 2013). Noise should be acknowledged to avoid it (Björn, 2022).

| Type of noise | Definition | Example |
|----------------------|--|-----------------------------|
| Physical noise | Environmental distractions | Background noise. |
| Technical noise | Tech incompetence | A poor internet connection. |
| Organizational noise | Inadequate communication systems internally or externally in the environment where communication occurs | Information overload. |
| Psychological noise | Individual's mental state that can disturb the flow of information or alter its meaning. | Stress. |
| Semantic noise | Disturbance that interferes with the interpretation of the information. | Misunderstanding. |

Table 1 - Common types of noise (Jones, 2016)

2.3 Modes of communication

Communication can take various forms. Choosing the form and channel of communication is significant, considering that this part consists of choosing the right or wrong way of delivering a message. Choosing the right form is dependent on circumstances, thus, not all the forms are always available.

- Written form: Can occur in forms of memos, letters, email, periodicals, and bulletin boards. The advantages of written communication are its tangibility and variability. On the contrary, the drawbacks can be timeconsumption, lack of feedback, and there is no guarantee of receipt (Björn, 2022).
- Oral communication: A frequently used form of communication (e.g., speeches, formal one-on-one, and group discussions). Advantages of oral communication are its speed, immediate feedback, and possibility for a discussion. A disadvantage arises when the message needs to be passed through number of people which produces distortion and can cause confusion and misunderstandings (Björn, 2022).
- Nonverbal communication: Complements oral communication (e.g., body movements, facial expressions, the intonations, or emphasis people use, and the physical distance between the sender and receiver). The cornerstones and important aspects of nonverbal communication comprise sympathy, perceived status and the interest between sender and receiver. In addition, understanding and agreeing can take form based on the feedback regarding to what is communicated. A downside of nonverbal communication is lack of record of nonverbal communication in protocols (Björn, 2022). Lack of record in protocols often indicates unclear communication norms, which can influence interpretations and favour misunderstandings.

2.4 Direction of communication

Communication flows often in different levels, depending on the size of the company and organizational structure. The most typical directions are:

- Downward communication: Can be described as the communication flow from one level to a lower level with the purpose of assigning goals, providing instructions, communicating policies or procedures, and providing feedback. Downward communication can prove to be disadvantageous due to its one-way nature. Clear downward communication should explain the reasoning behind a decision and further solicit communication between employees and management (Björn, 2022).
- Upward communication: Communication which flows from one level to a higher level is considered upward communication. Its purpose lies in providing feedback to higher-ranked employees within an organization, keeping them up to date and relaying current problems. Upward communication can manifest itself as non-effective as the message is not necessarily heard or registered by its recipients. Reducing distractions (e.g., invite to a meeting in special room), keeping it brief and concise, getting to the point, and avoiding presenting problems without (possible) solutions have all been recommended as ways to achieve effective upward communication (Björn, 2022).
- Lateral communication: Lateral or sideways communication occurs among members of the same hierarchical level (e.g., members within the same team, employees with similar responsibilities, or managers at the same level). Lateral communication often takes form when it is necessary to save time and facilitate coordination. On the contrary, decisions are made without informing higher levels of management which can be problematic (Björn, 2022)

2.5 Internal communication as a strategy

Organizations' internal communications strategies repeatedly influence and determine the way their employees behave, observe, and maintain the current atmosphere in the workplace. Ideally, companies focus on minimizing inefficient communication between employees and management bodies (Ljaji, 2021). A common assumption can be that internal communication is one of the functions that does not require time or effort since it already occurs by itself. Its purpose can be confused if one regards the skill as commonplace (Smith & Mounter, 2008).

Based on Dr. Björn Matthaei (2022) the main functions of communication within an organization/group are:

- Information, which acts as a basis for decision-making.
- Control, often formal (authority hierarchies) and informal (e.g., teasing).
- *Motivation,* which is a product of setting goals and providing feedback.
- *Emotional Expression,* for instance, satisfaction and frustration, both of which are social needs.

These main functions can often be recognized and modified based on the organization, even without recognizing its existence. Acknowledgement will act as a basis for possible improvements. Commonly, the importance of internal communication is neglected which can result in a lack of knowledge or in the incompetence among leading figures within an organization when it comes to effective communication (Ljaji, 2021).

2.6 The role of channels in internal communication

Internal communication and its environment are continuously changing for various reasons. The adaptation of new technologies, tools and channels must be rapid to guarantee the reach of the employees. The organizational choice of communication depends on a series of factors such as the preference for channels, which varies based on each company's employees, whereas the decision-makers should be aware of the users' preferences. The size of the company, qualifications, environmental culture, and level of technical development influence the choice of channels (Dévényi, 2016).

Actions that are taken inside organizations in terms of administering proper communication channels, influence the businesses' success equally as to what happens externally where the successful results make it to the ears of society (Ljaji, 2021). Valuable communication is dependent on the choice of an adequate message, as well as on the adaption of the format to a specific audience (Cameron & McCollum, 1993). When it comes to the quality of communication, and its timely manner, effective communication requires successful tools and channels to engage with one another daily (Smith & Mounter, 2008).

2.7 Communication tools

Organizations can utilize various tools to document work processes across disciplines and departments in visual and standardized formats such as flow charts, process maps and checklists (Seebacher, 2022). Nowadays, businesses are reliant on technology to enhance communication (Bovée and Thill, 2015). Many functions share the same channels and tools, and it is expected of employees to control the number of tools they utilize to engage and communicate (Carrol and Wiley, 2013).

Digitalization has favoured technical integration and development in business processes, this happens by transforming data and information to digital forms

from physical documents, for instance. Digitalization has also transformed internal employee communication over time by providing new tools and ways to work. Nowadays, everything can be communicated digitally, however, disagreements can arise upon discussing whether a specific should be communicated digitally or physically.

Digital communication tools like email providers such as Microsoft Teams, have been established among companies throughout digitalization. Tools such as Mural can be beneficial for the company. Mural is an online whiteboard that is a platform for synchronous digital collaboration. For example, intranet is an internal and private tool, leveraged to the organization's benefit, which consists of tools such as e-mail, and a file transfer, and news that are shared for the network (Pham, 2016). Intranet can be a powerful tool, but it cannot replace all communication (Holtz, 2003). Internal communication technologies' impact can be seen as a source of technological change (OECD, 2023). Nevertheless, this comes with a consequence of altering how the work is done, simultaneously giving organizations an opportunity to generate substantial productivity improvements.

2.8 ICT's contribution to internal communication

Nowadays, information and communication technologies-based work allows asynchronous communication. The current technology reformed fundamentals of work: smartphones and other devices allow employees to describe a third generation of telework (Korunka, 2021) in terms of new types of information and communication technologies (ICT, elaborated further in section 5.2). The new generation of ICT has made it normal to store information in clouds and networks that can be accessed from any device such as a smartphone. Hence, checking emails, news, and messages can all be done instantaneously (Korunka, 2021). This ultimately changes the perception of telework. Altogether, the overall performance of work that takes place in different channels, even in teams has become independent of time and location (Allvin. 2011). This allows work to happen remotely and more flexibly (Flecker & Schönauer, 2016).

3 Employee motivation in organizations

To enhance the understanding of employee motivation, it is vital for companies to recognize differences in individual needs. This chapter represents the 2nd part of the literature review, focusing on employee motivation.

Responsible and capable employees are the cornerstone of effective organizations. Maintaining human asset is essential (Jain & Gupta, & Bindal, 2019). It requires continuous effort and awareness of the factors that will acquire and maintain workforce within a company. Subsequently, to achieve the latter, acknowledging the existence of different motivation and satisfaction factors as well as the accompanying changes in those are significant (Singh, 2017). The ability to differentiate extrinsic or intrinsic factors is crucial in generating and maintaining employee motivation.

3.1 Extrinsic motivation

Extrinsic motivation can be defined as the achievement of individual or collective motivation driven by external forces. A worker can be motivated to work since it constitutes his principal source of income (Neely, 2007). Most people have no other choice other than working for a living, hence, if a job can satisfy someone's material needs, it will act as an external factor of motivation (Wiley, 1997). Regarding employee performance, the scientific discourse has produced a relatively simple and clear consensus that extrinsic motivation has a positive direct effect on performance, with only little disagreement (Cerasoli, Nicklin, and Ford, 2014).

3.2 Intrinsic motivation

Intrinsic motivation is a type of motivation that refers to an individual's tendencies to be curious and interested, and to seek out challenges and exercise to develop skills and knowledge, even in the absence of operationally

separable rewards. The motivation comes from within intrinsic desires (Flannery, 2017). Intrinsic motivation can be illustrated by an employee striving to climb the corporate ladder and excel in their tasks to support selfdevelopment and intrinsic achievements. Wealthy societies and organizations emphasize on intrinsic motivation that is increasingly becoming a major source of organization and restructuring (Bögenholden, 2009).

3.3 Connection between extrinsic and intrinsic motivation

Even if the extrinsic motivators can vary, they moderate the relationship between intrinsic motivation and performance. Measured intrinsic motivation is a strong predictor of performance. Instead of providing no incentives, making the incentives salient can strengthen the positive effect of intrinsic motivation on performance. Furthermore, the salience of extrinsic incentives boosts the positive effect of intrinsic motivation (Cerasoli, Nicklin, and Ford, 2014). For instance, inclusivity, and the feeling of belonging to the organization can motivate its members to perform well, which will be beneficial for the organization and the employee. Although providing monetary awards can also result in the same outcome.

Moreover, extrinsic motivation expressions tend to be strongly undermined perceptions of intrinsic motivation (Derfler-Rozin & Pitesa, 2020). Based on a textbook by Robbins & Judge (2016) "People who pursue goals for extrinsic reasons (money, status, or other benefits) are less likely to attain their goals and less happy even when they do." This shows implications that extrinsically motivated employees can be hard to satisfy in the long-run. On the other hand, other healthy societies and organizations emphasize that intrinsic motivation is increasingly becoming a major source inside organizations (Bögenholden, 2009).

4 Two-factor theory by Frederick Herzberg

Over the years, employers have become aware of the need to minimize the factors that make the organization's workforce dissatisfied. Frederick Herzberg, an American psychologist, and an influential name in business management, is known for studying sources of employee motivation. He developed a motivation-hygiene theory, also recognized as the two-factor theory of job attitudes. The theory suggests that job satisfaction and dissatisfaction are produced by different factors. Herzberg discovered that the feeling of satisfaction in employees' work has an impact on two sets of needs: avoiding pain points to allow psychological growth (comparable to Abraham Maslow's view of self-actualization).

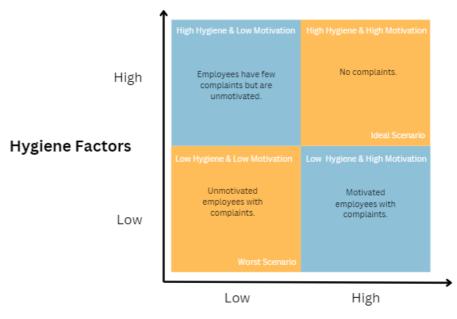
Dissatisfiers comprise the group hygiene factors that symbolize the representation of preventative and environmental conditions of work. Hygiene factors were primarily present more on the side of pay and conditions (Gorman, 2004). Hygiene factors tend to include extrinsic entities such as relations with co-workers, which do not pertain to the actual job for which the employee was hired (Tietjen & Myers, 1998). Hygiene factors focus on how employees are treated at work (Herzberg, 1974). Most frequently, these factors are related to the context of the job, the main factors of this group are:

- salary,
- interpersonal relations,
- supervisor,
- subordinates,
- peers,
- supervision technical,
- company policy and administration,
- working conditions,
- factors in personal life,
- status,
- job security (Tietjen, & Myers, 1998).

The other set of factors that produce satisfaction are known as motivators. If present in appropriate amounts within organizations, they can increase motivation as a corollary to creating positive attitudes of job satisfaction (Herzberg, 1974). Common motivators are:

- recognition,
- achievement,
- possibility of growth,
- advancement,
- responsibility,
- work itself (Tietjen, & Myers, 1998).

Ideally, the available satisfiers would be maximized to create a satisfied and motivated workforce (Herzberg, 1959).



Motivation Factors

Figure 4 - Levels of the factors (based on Herzberg Two-Factor Theory)

Figure 4 presents the levels of Herzberg's theory. Motivation can be measured by showcasing it into low and high levels of hygiene and motivation. For example, in the worst scenario, an employee can have low hygiene and low motivation which means that the employees are unmotivated with complaints.

To clarify the differences between motivators and hygiene factors, the distinction of the factors is the inherent level of satisfaction/dissatisfaction within each factor. Whether the motivation includes only factors that promote action over time, then the motivators are the factors that promote long-running attitudes and satisfaction. Herzberg highlighted motivators that have a positive effect on employee's self-actualization which improves the chance to achieve ultimate ambition. The presence of those motivators has the potential to create job satisfaction, however hygiene factors have the potential to cause dissatisfaction (Tietjen, & Myers, 1998), which often demotivates the workforce.

4.1 Abraham Maslow's hierarchy of needs

A globally known theory about motivation by American psychologist Abraham Maslow: hierarchy of needs (HON) by 1943 will support as a secondary psychological theory in this thesis.

Maslow's theory focuses on specific motivating and hygiene factors, as for instance achievement, recognition, and growth. He recognized the different phases of human development. According to Maslow (1943), the basic needs and lower parts of the pyramid must be met in order to reach a higher level of the pyramid. Human needs are categorized into five tiers of motivational needs which are arranged in a hierarchical pyramid. The two categories at the bottom of the pyramid consist of basic human and growth needs: biological and physiological requirements (safety needs, love and belonging needs, self-esteem needs). The highest level of the hierarchy is self-actualization needs, which Maslow (1943) described "to become everything one is capable of becoming".

5 Hybrid and remote working

This chapter represents the 3rd part of the literature review. This section will discuss how hybrid and remote work has evolved, and what areas influence employees' daily work in a hybrid environment.

Digital Nomads, Makimoto and Manners (1997) predicted that the future of work would not be tied to a specific location, and their prediction came true. More recently, during the pandemic, in 2020, Microsoft CEO Satya Nadella stated his concern about the phenomenon of social capital depletion. The phenomenon required societies and organizations to prepare for a future that is optimized for flexibility and hybrid work environments (Deal, 2021). In contrast to prepandemic circumstances, Nadella's prediction became more relevant and currently, many positions are highly flexible and cloud-based, allowing individuals the conduct the work wherever they wish from.

Creating offices as a place of cooperation that is suitable for all employees influences how the office is designed (Gratton, 2020). It is significant to create a space that suits different types of individuals, since a business environment can cause improvements in overall organizational performance (Melville, Kraemer, & Gurbaxani, 2004). Moreover, the hybrid working models offer an alternative environment that suits different individuals. Therefore, despite a highly favourable office design, some employees are more sensitive to distractions and noise and can focus better at their personal space.

5.1 Defining hybrid work

The word "hybrid" has become a popular umbrella label attributed to various work-related terms (Russo, Smite, Christensen, and Tell, 2022). Often, from an employee perspective, the term hybrid work can be defined as the combination working of on-site and remote work.

Different teams and leaders have been and will continue experimenting with new ways of working. Nowadays, many employees work in their personal spaces, for instance, at home, cafeterias, local hubs, shared office places, et cetera. During Covid-19, short-term solutions were adapted, and the postpandemic world introduced companies to long-term solutions. With the current circumstances and the recent history of hybrid work, it has become a new norm (Gratton, 2020).

Due to the Covid-19 pandemic, many workers became acquainted with working from home (Appel-Meulenbroek, 2022). Hybrid work can be defined as a flexible balance, with working hours divided between the company's location and elsewhere (Holweg, 2022). Digital tools and channels allow the collaboration of employees to take place across various locations and widely distributed teams (Lipnack & Stamps 2001).

5.1.1 Challenges of hybrid work

Designing a suitable form of hybrid work raises the question of "How much flexibility should be provided to ensure employee satisfaction and maintain good performance?".

Social business hybrids aim to achieve a social and environmental impact as well as financial sustainability. However, they can face challenges when it comes to aligning activities that generate profit with those that generate impact. Social business hybrid models, in the legal form of cooperatives or mutual companies, can be traced back to the 19th century. Within the last decades, they have grown in numbers and visibility (Santos, Pache, and Birkholz, 2015).

Profit is often defined as the value captured by the organizations for its owners, such as shareholders in a public company, or partners in a partnership model. On the other hand, the impact can be defined as the value created by the organization for the society in the achievement of its mission, including environmental benefits and social gains (Santos, Pache, & Birkholz, 2015).

Each employee has individual characteristics (demographical, work-related, and home workspace-related) which influence their workplace preferences and choices. Some individuals are more sensitive to distractions, some prefer the social context of the office environment. For instance, an open workspace may increase communication due to increased visibility, nonetheless, it may increase the chance of being distracted by others (De Croon, Sluiter, Kuijer, and Frings-Dresen, 2005).

5.2 Defining remote work

The term remote work, also referred to as telework, is not only implying a location of work other than in the presence of other employees within the same organization. In general, it is a term used for information and communication technologies, in short: ICT. ICT includes tools that enable virtual and remote work, such as the internet, virtual meeting tools, and e-mails (Korunka, 2021).

Old-fashioned telework was mobile but less accessible than nowadays. It was associated with stationary computers, fixed telephones, and fax machines, unlike the devices utilized by many workers nowadays (Makimoto and Manners 1997).

A downside of persistent remote work is its potential of weakening an organization's social capital and networks. This can be observed in employees' productivity levels. Virtual environments are often poorly suited for serendipitous encounters (Holweg, 2022). This can have especially long-term impact on employees and companies.

5.3 Company culture

Hybrid work does not only influence how internal communication is performed. It also directly impacts factors that contribute to employee motivation, such as a company culture. Company culture changes when altering and adapting the settings of hybrid work. The term *workplace culture* has become familiar within the corporate world's vocabulary and has gained value by becoming a more recognized factor in achieving a healthy and productive environment. A healthy workplace culture drives business results (Perez, 2019). The health of the culture at work is defined by various components that measure it, including employee engagement, employee motivation, compensation, benefits, and internal communication (Perez, 2019). Sometimes, workplace culture and the individual elements can be mistaken for one another. A good company culture can be achieved by providing additional benefits and placing an effort on employee engagement (Perez, 2019).

Due to hybrid working models, companies must design approaches that not only engage employees in the office, but also those who are working remotely. For instance, in the case of hosting traditional on-site events, companies must consider alternative ways to include remote workers, which requires dedicated work and an approach that is inclusive as well as interactive for the ones online. This often happen in the forms of online events such as workshops, mentoring programs, or online networking events with interactive agendas.

SAP's website (2023) mentions Barcelona's Digital Hub: *"Digital Hub is a unique and innovative environment"*. When it comes to the company culture, the digital hub enhances it with continuous activities such as yoga or boxing classes. Additionally, the SAP is providing its employees with a wide range of benefits such as private healthcare and lunch vouchers. One of SAP's core values is a growth-mindset, which is communicated in many ways, for instance, through SAP employees LinkedIn posts (Sap, 2023).

5.4 Work arrangements

Depending on the organization, team typology and locations vary. In a hybrid working model, multidimensional work arrangements often take place. A traditional work arrangement has been known as "in the office from nine to five". However, teams that must align their work schedules to be on-site at the same time, have prevailed into today's working life. However, the concept of virtual or remote teams is affiliated with it.

Depending on how the work arrangements are implemented within an organization, the choice is made based on varying factors such as management expectations, organizational policies, corporate culture, employee preferences, the nature of work assignments and job roles (Russo, Smite, Christensen, and Tell, 2022). Most frequently, organizations have either hybrid teams, partially aligned teams, or variegated teams. Hybrid teams are often distributed, and they occupy ranges of the virtuality spectrum (Knight, 2020). Partially aligned teams' surface when members of the teams and their arrangements are not fully aligned. In practice, this indicates that team arrangements can be clustered and span the spectrum between fully flexible and aligned teams usually take the form of predefined but altering work locations with varying degrees of office presence.

5.5 Work schedule

As teams nowadays are less bound to a specific location, work arrangements can include a mutual agreement on the work schedule. The schedules require modification based on time zones and preferences. The teams can agree on synchronous modes with fully overlapping working hours such as nine to five (Russo, Smite, Christensen, and Tell, 2022).

In a flexible working mode, teams can potentially have an erratic work schedule and a partially aligned working schedule. Alternatively, they can agree on core meetings that are organized around schedules, meetings, gatherings, and events that the members of the teams agree to attend and around those times their working schedules are flexible (Russo, Smite, Christensen, and Tell, 2022).

5.6 The nature of tasks

A nuanced approach towards hybrid working models focuses on the task types, differentiating between tasks that should or should not be performed remotely. Some departments are organized along task lines (Carrol and Wiley, 2013). For instance, it is often perceived that social and creative tasks are best performed in a physical office environment since it encourages informal in-person interactions (Holweg, 2022).

According to Holweg (2022), organizations tend to divide and permit hybrid work based on the nature of tasks:

- 1. *Individual procedural tasks*, such as processing and entering data with no social interaction required can be easily performed remotely. Only supervision of it can be more challenging.
- 2. *Focused creative tasks*, such as designing tasks that do not require much teamwork can be performed easily virtually.
- 3. *Coordinated groups tasks*, routine group projects, regular review meetings that might be standardized but they require human interaction that might be more challenging when executed remotely.
- 4. *Collaborative creative tasks* like problem-solving and strategic planning that are required for innovation processes, can suffer from negative consequences when performed in hybrid work as a result of possible connection issues.

SAP Barcelona's nature of tasks is dependent on the employees' role. Commonly, a mixture of all sorts of tasks, with a focus of individual procedural tasks such as operational tasks, take place in the department. In addition, focused creative tasks take place, for instance, sales development executives plan tailored and effective approaches to attract prospects. Coordinated group tasks often happen in forms of meetings such as team meetings. Collaborative creative tasks take place in meetings in the form of alignments or brainstorming sessions, which are often held in person.

6 Methodology

This chapter discusses the methods used for the research, including justification of the chosen research approach, data collection methods, and ways to analyse the data, as well as the credibility of the research.

6.1 Research question

The main research question examines the influence of internal communication that is performed in a hybrid working model and how it influences employee motivation. As the main research question covers various topics within itself (a case study company, internal communication, employee motivation, and the hybrid working model), the analysis part is divided to research each of the factors underlying within the main question.

The distinction of the topics is following the same structure as the literature review. Sub-questions are used to strengthen the main research questions. The sub-questions are: *What is the impact of hybrid work?* And *how does internal communication affect the employees daily work?* These research questions took place to find out how employees perceive and use internal communication in SAP Barcelona, and how working in a hybrid working model impacts their daily work, and ways to communicate. Finally, with the help of the additional research questions, the analysis will focus on analyzing what the influence of these factors in their motivation is.

6.2 Methodological choices

The choice of methodology started with comprehensive literature research to build a methodological standpoint and a theoretical framework. Researching the topics around the main research question (employee motivation, internal communication, hybrid, and remote working models) provided a steady platform to start the process of researching, analysing, evaluating synthesizing the data from sources. The literature review covered various topics and from that perspective, two data collection methods were chosen: semi-structured interviews and a questionnaire. Questions were created and structured for qualitative research after the literature review, which was a necessary start for the study. This enabled focusing on finding the high-end data and filling out the gaps of information that are left from data collection examinations.

6.3 The analytical approach

The analytical approach of this thesis involves careful division between the research topics. For that purpose, the analysis is structured with thematic and regression analysis, and the psychological theories (Herzberg and Maslow) are chosen as the theoretical framework to examine the motivation from the results of the qualitative research.

Thematic analysis is used for identifying, analysing, and interpreting themes and codes within the qualitative data (Clarke and Braun, 2016). The themes consist of the codes. The goal of this method is to create patterns of meaning that will help to produce high-quality analysis.

Regression analysis is used in this thesis to analyse the process of calculating a regression coefficient and regression equation using one independent variable and one dependent variable. With this method, the probability of the regression coefficient was calculated by having occurred by chance alone (Saunders, Lewis, and Thornhill, 2019).

6.4 Qualitative research

The geographical scope of the sample is from SAP Barcelona's Digital Hub. The intercultural factors of the sample (such as an international working environment and different backgrounds) are acknowledged but not the point of focus. Interviews were chosen to gather in-depth data since interviews guaranteed sufficient time for respondents to think and answer the questions thoroughly. With scheduled interviews, a proper response rate was ensured. To improve the process of data collection, notes were taken during the interviews. Also, the interviews were recorded and then transcribed to make sure no data was lost. The questionnaire was conducted as an additional data collection method to have a wider reach of respondents and add data to analyse the research question further and increase comparability and generalisability.

6.4.1 Interviews

One of the cornerstones of the research questions was to map out; how internal communication impacts employee motivation in a hybrid working model. The hybrid working model brought in a new aspect, as it has changed the way of working and communicating. Interviews allowed investigation of people's views and receiving more in-depth responses to study employee motivation in SAP Barcelona. Nonetheless, the sample for the interviews was selected with an aim of an equal number of interviewees from each organizational level (see the interviewee profiles in Appendix 1).

When Herzberg was studying for his two-factor theory in 1974, he emphasized qualitative investigation with experimentation with open-ended questions focusing on workers' experiences about feelings about employees' jobs. Herzberg wanted to map out employees' attitudes as a starting point for the dual-factor theory of Herzberg. This briefly indicated his approach to experimentation and research (Herzberg, 1959). As his theory is a major part of the literature review in this thesis, part of the qualitative research was conducted following Herzberg's example of qualitative investigation: interviews with open-ended questions.

The interview guideline was semi-structured to utilize open-ended questions and gather necessary data. The data collection method provided sufficient time to probe interviewees' responses if necessary to build on or seek explanations of their answers and meanings (Saunders, Lewis, and Thornhill, 2019), the interviews were anonymous which provided a freedom to express their opinions. An interview guideline (Table 2) was developed based on the literature review. Each interview began with demographic questions about the interviewee (age, job position, experience, educational background) followed by questions regarding communication and employee motivation.

Table 2 - Interview guideline

| | Table highlighting the Interview guideline |
|---------------|---|
| Area | Questions |
| | 1. Age? |
| | 2. Gender? |
| | 3. Where are you from? |
| | 4. Position? |
| | 5. How long in the company? |
| | 6. Education? Business |
| | 7. What communication channels are in your frequent usage? |
| Communication | 8. What channel of communication do you find most efficient? |
| in a hybrid | 9. Have you experienced challenges communicating |
| working model | through digital channels in the hybrid working model? If so, |
| | a. For a small audience? |
| | b. For a mass audience? |
| Employee | 10. When receiving communication: |
| motivation | what channel of communication engages you most efficiently? |
| | 11. Upward / downward / flat communication: |
| | what level of communication catches your attention and time the most? |
| | 12. How does internal communication impact your daily work? |
| | 13. How do you feel about internal communication in SAP? |
| | 14. Does internal communication impact your motivation in work? |

6.4.2 Questionnaire

A questionnaire comprising 11 questions, was shared through internal channels (Microsoft Teams and Microsoft Outlook) in SAP Barcelona's Digital Hub. The respondents answered anonymously. Anonymity was provided to avoid biases, and to create an open and safe environment to express truthful answers. The questionnaire received 30 responses. Questions from one to three were

demographic (age, working years, and role in SAP), and questions from four to eight focused on internal communication, and the last questions from nine to 11 consisted of questions about hybrid work (see Appendix 4 for the full questionnaire).

6.5 Validity and reliability

When it comes to the validity and reliability of the literature review; all the sources have been picked carefully, mainly choosing sources from library databases, with a main priority to have peer-reviewed sources to add reliability, all in all, this action was taken to decrease the possibilities of non-credible sources.

The writer acknowledges that some of the theories and sources, like media richness theory, was developed in the 1980s and Herzberg's early theory of motivation in the 1960s, which can add limitations to the theory as many developments like digitalization have taken place afterwards, yet the writer believes that theories as such remain as a landmark foundation of studies that are continuously evolving, this thesis included.

The main psychological theory for the analysis is based on Frederick Herzberg's theory (more explicitly in section 4). The theory has been criticized on the sample selection and the ways to measure motivation with a scale from satisfaction to dissatisfaction, which can share opinions on whether it is associated with employee motivation. However, the theory assumes a correlation between job satisfaction and productivity, and because of this, the regression analysis was conducted for this thesis to calculate the correlation between the factors in the analysis. Herzberg's theory represented similar ways of collecting data: semi-structured interviews. The simplicity of the measurements provided a realistic base for the analysis, considering the limitations of this thesis (bachelor thesis, length of the study, and resources). Because of this, additional methods like Maslow's hierarchy, media richness theory, and thematic and regression analysis support analysing the results to strengthen the reliability of the analysis.

With a sample size of 12 interviewees and 30 questionnaire respondents, generalizing findings can be challenging. However, the size of the sample and two different qualitative research methods provide various perspectives. Quotations from the participants are included in the study to help the reader to understand the interpretations that are made from the data.

6.5.1 Research biases

The possibility of biases, especially the selection bias was taken into consideration when choosing the sample for the interviews. Biases are taken into consideration because everyone has an unconscious bias. People will inevitably use assumptions and biases to assess risk. The need to seek familiarity with settings and people comes from a natural phenomenon, and this was taken into consideration whilst writing the thesis and especially when completing the qualitative research. People tend to gravitate toward what their unconscious bias prompts them to do, for example, people are more likely to hire, develop, promote, and reward those more like themselves (Bellomo, 2019). Due to that, personal elements were separated from the qualitative research when choosing the sample size by requesting employees to the interviews from the office based on their availability, their position, and organizational level. The availability of interviewees provided deviation to the sample, if one was unavailable, another representative in a similar position was contacted for availability. The sample was randomized to the available potential.

Furthermore, minimizing other biases such as interviewer bias, response bias and participation bias (Saunders, Lewis, and Thornhill, 2019) were anticipated by careful preparations and attaining a knowledge about the research topic before conducting the qualitative research. The questionnaire and interview structure were peer reviewed by objective individuals and modified based on their suggestions to avoid biases. All of these actions were taken to attain standardized interview situations such as providing a similar interview experience for the interviewees by choosing an appropriateness interviewee environment (meeting room in the office), focusing on the tone and non-verbal behaviour.

7 Interview results

This section will present the results of the qualitative research conducted through semi-structured interviews, and interviewee profiles can be found in Appendix 1. Interviewees represented employees from the SAP Barcelona's Digital Hub. The interview sample consisted of 12 participants.

| Table 3 - Experience in SAP of the | interview sample |
|------------------------------------|------------------|
|------------------------------------|------------------|

Sample of the interviews

| Variable | Category | Response Information |
|--------------|-------------------------|-----------------------------|
| Age | <25 | 33% |
| | 25-30 | 50% |
| | 31-36 | 17% |
| Years in SAP | Less than a year | 42% |
| | One to Five | 41% |
| | Six to Ten | 17% |
| Role | Intern | 25% |
| | Sales/Sales Development | 50% |
| | Manager | 25% |

Table 3 summarizes the studied sample, 33% were between 31-36 years, 50% of the respondents were between 25-30 years, and 17% of the interviewees were less than 25 years of an age. It can be inferred from the age demographics of the sample, that it is a "relatively young" workforce as most roles require a university degree, possibly indicating that majority of the respondents' roles are entry-level.

42% have been employed between two and five years, 41% have worked in SAP for less than a year, and 17% had more than five years of working experience within SAP.

7.1 Frequently used communication channels

The main channels of communication among the interviewees were: Face to Face, Microsoft Outlook, and Microsoft Teams (for messaging, meetings, and video calls). In addition, interviewees 6 and 11 used Mural and 50% mentioned using WhatsApp in their internal communication habits. A full breakdown of the data gained from the interviews is presented in Appendix 2.

7.1.1 Microsoft Outlook

Microsoft Outlook is an email provider service. Each of the interviewees highlighted the usage of email in their daily work. This is a common channel used to communicate formally and informally. 58% of the interviewees used folders to organize emails based on their personal preferences, to ensure they have all emails available for current and later need and usage. 42% of the interviewees used email especially when a trace of communication was needed.

92% of the interviewees used Outlook to send out formal emails to external and unfamiliar respondents. All the interviewees used Outlook when sending out emails to a bigger audience, 58% use Outlook especially when communicating to respondents that are higher up in the organization.

Each interviewee received approximately between five and fifteen emails a day. Some of the interviewees found it challenging at times to organize their email inboxes, describing it as "time consuming". This led to them sometimes missing important emails. This matter seems to be more prevalent among employees that joined SAP less than a year ago. Three of the interviewees (4, 8, 11) relied on receiving follow-ups and reminders from peers if they had missed something relevant and had not acted on it.

Interviewees who had been within the company for over a year were able to learn to filter the importance of messages based on the sender and relevancy. The difficulty of prioritization was mentioned on multiple occasions during the interviews. 33% of the interviewees brought up information overload, and that it could distract an employee, hence concealing the importance of a message.

7.1.2 Microsoft Teams

100% of interviewees stated to use this tool on a daily basis. Microsoft Teams is mainly used for informal communication with colleagues the interviewees directly (direct manager, team, colleagues from Barcelona's Digital Hub) or indirectly (mutual projects, colleagues from other office locations, a work acquaintance) work with.

75% of the interviewees faced challenges resulting from poor informal communication habits such as a lack of adequate sentences and context within the message. Due to this unclarity of context, follow-up communication proved to be necessary, which resulted in frustration, inefficiency, and time consumption.

When it comes to hybrid working and communication, Microsoft Teams provides video calling services. The latter were deemed useful by 83% of the interviewees, particularly if the topic is either urgent, sensitive, or when working remotely. The answers indicated that video calls share features with face-to-face communication such as immediate feedback, the possibility for clarifications and explanations. Interviewee 9 described video calls as an alternative option to face-to-face communication.

A negative trait within face-to-face communication emerged to be the lack of tracing of the communication. Interviewee 3 stated that making notes can distract the flow of conversation but 58% mentioned that lack of a physical trail can result in the forgetting of what has been communicated or agreed on.

33% of the interviewees sometimes found pop-up notifications of team messages distracting, especially when working from the office and in case they had ongoing conversations with colleagues in that specific moment. 67% found the pop-up notification distracting in remote working since they immediately draw attention to themselves when popping up at the corner of the screen.

7.1.3 On-site communication

Face-to-face communication and nonverbal communication were in a frequent usage while working on-site. At times, if a colleague was not around, face-toface and nonverbal communication were complemented by Microsoft Teams and Outlook. 92% of the interviewees preferred on site communication if hybrid work allowed it. The interviewee 11 preferred digital communication, especially when it came to meetings due to its efficiency, the interviewee additionally highlighted that on-site communication can be time consuming due unnecessary small-talk and noise of communication.

100% of the interviewees found that face-to-face communication proved to be efficient due to its immediate feedback and possibility for discussions and clarification to avoid misunderstandings. Lateral communication was the most referred to as to direction of communication. Depending on the interviewee's position, some communication occurred as downward communication. Additionally, all the interviewees communicated upwards.

8 Questionnaire results

In this section, the answers to the questionnaire are being analysed and discussed in forms of tables and pie charts. A clearer overview on the question pattern can be found in Appendix 4. The average age of the questionnaire respondent is similar to the one of the interviewees. However, more employees participated in the questionnaire (30) than in the interviews (12). Hence, the age distribution of the studied sample looks as follows; 34% of the respondents are below 25 years of age, whereas only 7% fall between 46 and 55 years. Table 4 below consists of a more profound insight into the sample composition.

Table 4 - Demographics of the sample

| Variable | Category | Response Information |
|--------------|---------------------------|-----------------------------|
| Age | <25 | 34% |
| | 25-30 | 23% |
| | 31-36 | 13% |
| | 37-46 | 23% |
| | 46-55 | 7% |
| Years in SAP | Less than a year | 43% |
| | One to Five | 47% |
| | Six to Ten | 10% |
| Role | Intern | 20% |
| | Sales/Sales Development | 40% |
| | Sales Manager | 13% |
| | Demand Generation Manager | 10% |
| | Something else | 10% |

Sample of the questionnaire

Employee experience is related to employee age. 47% have been employed between one and five years, whereas a relatively important share of 43% of employees started in their position less than a year ago. Only 10% of the respondents have been employed for six years or more. 40% of the questionnaire respondents were occupying a position that is related to sales development. The remaining share of respondents are represented by positions related to demand generation managers (30%), internships (20%), and other roles (10%).

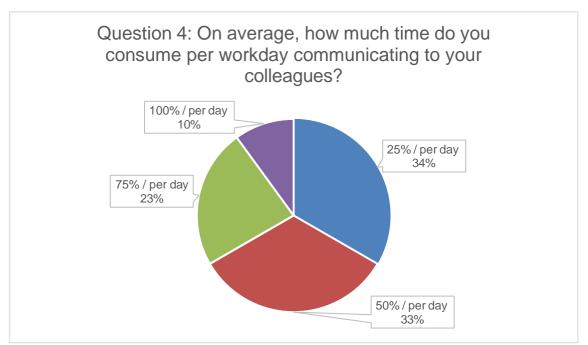


Figure 5 - Pie chart of time used for communication per workday

Figure 5 demonstrates the results of the employees' perception regarding their time usage in relation to communication. The latter mainly qualifying as business and informal communication (Holtz, 2003). There is discrepancy between respondents with only 10% crediting this question a 100%. In other words, these respondents may spend 100% of their workday with matters related to communication to others. The majority of the sample responded with 50% and 25%.

Table 5 - Important features of successful communication (Q5)

| Question 5 | Variables | Response Re | spondents |
|--------------------------------------|-----------------------|-------------|-----------|
| | Purpose | 83.3% | 25 |
| Choose the most important | Tone of communication | 66.7% | 20 |
| features of successful communication | Readability | 63.3% | 19 |
| | Effectiveness | 63.3% | 19 |
| | The timing | 33.3% | 10 |
| | The choice of channel | 30.0% | 9 |

Table 5 illustrates the results from question five: "Choose the most important features of successful communication". The respondents were asked to choose between six different factors. According to the studied sample, the most significant feature to successful communications was the purpose and the tone of communication with 25 and 20 votes respectively. Readability and effectiveness both received 19 votes. The timing and choice of channel were deemed less significant than the before mentioned factors.

The 6th question mapped out challenges that arose from the questionnaire about internal communication in SAP. Those challenges were:

- information surplus,
- short attention spans,
- absence of communication channels for "non-essential" communication such as social media for social groups and events,
- lack of objectiveness,
- miscommunication,
- time management (duration and number of meetings).

The 7th question, "how to improve internal communication?", participants of the questionnaire were asked about possible improvement points regarding internal communication. The following suggestions were extracted from this specific question:

- targeted communication (sending out information relevant to personas role),
- narrow down the amount of information,
- more unified channels and group chats,
- decreasing internal meetings,

• internal courses about communication.

These improvements could potentially tackle and consequently mitigate dissatisfaction factors in internal communication.

Table 6 – Consequences of unclear communication

Question 8

| Factors | Respondents | Percentage |
|----------------------------------|-------------|------------|
| Frustration / Dissatisfaction | 24 | 80% |
| Time consumption | 22 | 73% |
| Ignorance | 16 | 53% |
| Challenging to meet expectations | 9 | 30% |
| Missed deadline / forgetfulness | 7 | 23% |
| Information overload | 1 | 3% |
| | | |

In question 8, "What are the consequences of unclear communication in your work?", respondents elaborated on the consequences of unclear communication among employees within an organization. The results are illustrated in table 6 below. As it can be visually perceived, an overwhelming share of respondents voted frustration/dissatisfaction (80%) and time consumption (73%) as the most probable consequence resulting from poor internal communication. Ignorance (53%) follows as the third consequence, whereas for the last tree (30%, 23%, and 3%), the percentages get increasingly less significant.

Table 7 - "What is your preferred working model?"

| Question | Variables | Response |
|--|--|--------------------------------|
| Q9 What is your preferred working model? | Hybrid work On-site working Full-Time remotely | 60% (18) 30% (9) 10% (3) |

Table 7 presents data regarding respondents preferred working model. From 30 respondents, 60% (18 respondents) preferred hybrid work, 30% (9) on-site working and 10% (3) full-time remotely.

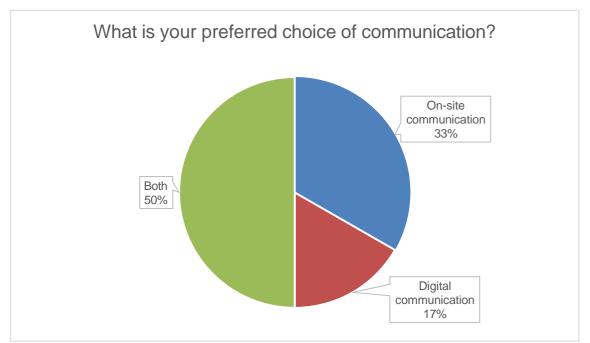


Figure 6 - Pie chart of preferred choice of communication

Figure 6 includes a pie chart mapping out results from the question "When it comes to internal communication what is your preferred choice?". The question gathered data about their preferred way of communication. The respondents elaborated on the reasoning behind their answers in Appendix 5. As it can be observed in Figure 6, 50% of the respondents preferred a mix between digital and on-site communication. 16,7% stated that digital communication is personally favourable and clarified their reasoning; digital communication is more effective and saves time. 33,3% of the respondents preferred on-site communication due to it being more interactive and not limited in time. All forms of communication were covered: written, oral and nonverbal communication

(Björn, 2022). The findings supported the existing literature (section 2.3 page 10) as the respondents presented similarities in the pros and cons of different forms of communication.

Table 8 - Factors that motivate employees

Question 11

| Factors Respondents Percent | | ercentage |
|-----------------------------|----|-----------|
| Colleagues | 26 | 87% |
| Company culture | 21 | 70% |
| Benefits | 18 | 60% |
| Flex-Work | 16 | 53% |
| Internal Communication | 16 | 53% |
| The work itself | 12 | 40% |
| Works results | 9 | 30% |

What factors make you motivated at work?

Table 8 depicts work motivation factors according to the respondents of the questionnaire. The top three motivators are:

- 1. Colleagues (86.7%)
- 2. Company Culture (70%)
- 3. Benefits (60%)

Internal communication is a significant part of creating a motivating environment and was acknowledged by 53.3% of the respondents.

9 Analysis

This section will analyse the qualitative research: results and data received from interviews and questionnaire, with a reflection on the literature review and psychological theories in relation to the research question. The analysis is divided into three sections to answer the factors that influence the research question: hybrid work, internal communication, and the relationship of the factors in consideration of employee motivation.

9.1 Hybrid work in SAP Barcelona

The main generalized work tasks among the employees consist of internal and external meetings, individual procedural tasks, and coordinated groups tasks. SAP Barcelona's office is a digital hub, and its main functions are built to operate digitally, for instance, many meetings are held remotely or in a hybrid way. Internal meetings can be held in person if employees are present.

Many of the teams in the Barcelona's hub are formed based on the market unit or a SAP's product. As Russo et all (2022) stated, the teams can agree on synchronous modes with fully overlapping working hours, and this happens among the teams in the digital hub. The teams align with their managers on the working hours, and how they distribute the hybrid work, deciding which workdays they work from the office and which days from home. Many teams, agree on specific days at the office, to have the whole team at the office for meetings like team meetings.

In Barcelona's digital hub, open office policy takes place. Some of the teams such as the Nordic Sales Development team aligns with the team which area of the office they are seated. These actions are taken to maintain group dynamics and the feeling of belonging within the team, also, to have casual conversations and to ask questions. Due to the open office policy, there is more engagement with other teams. 58% of the interviewees mentioned that productivity is better at the office. Furthermore, when it comes to employee motivation, 67% of the interviewees said it was motivating to be part of the team and have the feeling of belonging.

> Interviewee 11: Internal communication is a big part of daily working life. If there is no positive energy from colleagues, it can be hard. But the people who you are surrounded by are motivating.

Interview data discovered that overall productivity is better at the office, on the contrary, if a lot of peers are around, it worsens the productivity, but in contrast, it highlights the feeling of belonging and helps to maintain a healthy company culture (Perez, 2019) and provides a place for serendipitous encounters (Holweg, 2022).

9.2 Communication channels in the digital hub

This section analyses the role of internal communication, especially focusing on the role of channels in the digital hub of Barcelona based on the interview data.

The most frequently used channels among the interview sample were digitally Microsoft Teams, Microsoft Outlook, WhatsApp and on-site, Face to Face and nonverbal communication. Each employee had their personal preferences what channel they used based on what was being communicated.

Interviewee 7: I use teams for quick communication, something to solve quickly, or getting reminded of something. Outlook for heavier topics, like formal necessities, announcements, team or group, sending files.

The interviews revealed that the modes of communication influenced the channel choice; email was often used for formal and up-ward communication, and Microsoft Teams' usage was mainly for lateral and downward communication. For instance, interviewee 7 chose the usage of channels based on the context, rather than the direction of the communication.

9.3 Choice of communication form

The following data is thematic analysis from the questionnaires' question 10 about the employees' preferences on the form of communication. Table 9 shows common words (codes) that came up in the answers. Common themes for digital communication were efficiency, time-saving and its traceability. Onsite communication was preferred because it is more interactive and personal with a tone, and it provides immediate answers. Both were the most voted by 15 respondents; with a common theme: depends on the context.

Table 9 - Thematic analysis about communication preferences

| | Codes | Themes |
|-----------------------|--|---|
| Digital Communication | "Digital communication is more effective and time saving" "Efficiency." | Efficiency Time-saving Leaves a trace |
| On-site communication | "With digital communication, I think some of the tonality and body language is lost, which makes it more difficult to convey the intention behind the communication" "Tone is more clear and immediate responses " | Tone Interactivity |
| Both | "There are matters that can't be discussed properly over digital communication, on the other side, simple matter can be very easily enlighted through digital digital communication which saves a lot of time " " Depends on the occassion/purpose of the communication" Digital is more effective and leaves a trace. In person is more personal . | Depends of context |

Thematic analysis showed reasoning behind the decision why the employees preferred each mode of communication. Findings from the questionnaire show mutual themes amongst the respondent's preferences in the choice of communication: 33.3% (10) preferred on-site communication, 16.7% (5) digital communication and 50% (15) preferred both, showing that majority prefers to have both options for communication, that gives an option to take into consideration the context of what is communicated and choosing the communication method based on it.

9.3.1 Downsides of digital communication

In the interviews, 67% of the interviewees struggled with lack of context in digital communication which consumed time to clarify the communication with additional questions and exchange of communication.

Interviewee 3: A lot of communication is received, emails etc. Sometimes they are irrelevant. It can be overwhelming and consumes time to clean them up, which can overshadow time from important things.

Lack of transparency caused dissatisfaction amongst some of the interviewees (1,6,10). Most often the root cause for this was private or sensitive information that was not to be shared with everyone. Two interviewees (1 and 7) proposed that a strategy to implement all the communication would be necessary in SAP to have a more centralized way of communication.

Interviewee 7: Internal communication in SAP is very good at informing people about new things that are available, not so good at making a strategy to implement the communication. A platform such as a SharePoint to centralize all communication could solve this.

25% (2, 7, 12) described it as demotivating to communicate digitally in a hybrid working model when it can take hours to days to receive a response, in comparison to face-to-face communication which provides an immediate response, and often the answer too.

9.4 Findings on employee motivation

This section will analyse findings around the main research question: "How does internal communication influence employee motivation in a hybrid working environment?". The relationship between internal communication and employee motivation is dependent on various factors, and the variables in this case are internal communication in a hybrid working model, as a result of this, the factors are taken into consideration in this part of the analysis.

9.4.1 Intrinsic and extrinsic motivation

The results of the qualitative research did not produce direct results whether the employee's motivation roots from intrinsic or extrinsic sources. However, the results of the questionnaire indicate that factors such as benefits, flex-work, and colleagues motivate majority of the sample, and these factors can be associated with extrinsic motivators. A downside of extrinsically motivated individuals, as discussed in the chapter 3 on the page 17, is that extrinsically motivated employees can be hard to satisfy in the long-run.

On the contrary, intrinsic motivation roots from intrinsic desires (Flannery, 2017), continuous curiosity whereas employees are striving to achieve selfdevelopment and intrinsic achievements. The result of work received four votes from 30, and the work itself received 12 votes, with the current knowledge and data, it is challenging to evaluate the level the intrinsic motivation of the sample, nonetheless, the salience of extrinsic incentives boosts the positive effect of intrinsic motivation, which in this case, can help to motivate employees intrinsically long-term as well.

9.5 Reflection on Herzberg's theory

To identify factors that influence employee motivation, the interview results are reflected with Herzberg's two-factor theory. The theory helps to identify factors that cause employee satisfaction as well as dissatisfaction, which are connected to employee motivation.

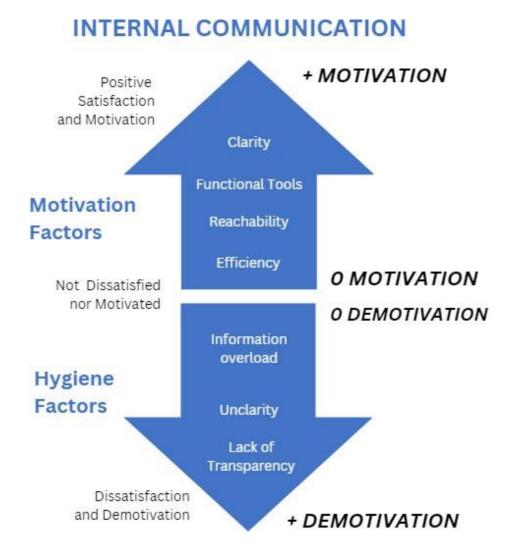


Figure 7 - Results of case study's motivation and hygiene factors (based on Herzberg's theory)

Figure 7 indicates, common motivation factors to be efficiency, reachability, functional tools, and clarity of communication that increased job satisfaction and motivation for 33% (4,8,10,12) when it comes to internal communication.

Identified hygiene factors were information overload, unclarity and unclear purpose and lack of transparency. These hygiene factors cause dissatisfaction towards internal communication amongst the interviewees of the case study company.

9.5.1 Hygiene factors

Firstly, 100% of the interviewees mentioned information overload, specifically the ones who had worked less than a year in SAP. The interviewees described it as overwhelming and time consuming to categorize all the emails that come on a global and local level.

Structured individuals had a need to organize, and information overload caused a small increase in the stress levels especially at the beginning of the employment. Respondents with more than a year of experience also found it challenging but the impacts were not directly in contact with employee's motivation and stress levels. They had developed ways to cope with it such as colour coordinating and putting emails into folders.

> Interviewee 4: General emails are not engaging, emails from managers and close colleagues are prioritized right away. In case I am missing out on info, I trust that someone is going to notify me of that.

The interview data also revealed that employees prioritized emails and messages based on the sender. If the messages were received from a direct manager, customers, or colleagues that are in close collaboration such as their team, the messages were prioritized. If the sent email included informative content or no call to action, this was described as noise and not prioritized communication. Interviewee 2's comment can be identified to be organizational noise.

Interviewee 2: The amount of communication and channels, classifies itself like a noise. If a channel is down, it is an annoyance and impacts productivity negatively due to the time consumption.

Secondly, another essential factor that was pointed out by 25% of the interviewees was the technical noise caused by technical issues of hybrid meetings. Post-pandemic time it occurs less than before but in cases it happens it was described to "interrupt the natural flow" of meetings, for instance, if someone is having problems with the microphone.

9.6 Internal communication needs

Abraham Maslow, the creator of hierarchy of needs, stated: to get to the top of the pyramid, satisfying the basic needs of workers is required (Maslow, 1954), which in this case will be applied to internal communication needs. Human beings communicate approximately 70% of their waking hours (Björn, 2022), and that brings needs for internal communication. And this analysis focuses on communication needs to achieve successful communication.

Basic needs include communication such as Holtz (2003) explained: communications required by law and human resources communications, business communications, and informal communication. In between the hierarchy, there is a smooth and efficient communication which minimizes hygiene factors of communication such as noise for example information overload that came up in the qualitative research. An ultimate goal and at top of the pyramid is a well-planned internal communication's strategy that does not drive the company towards business objectives but also innovates employees and motivates them.

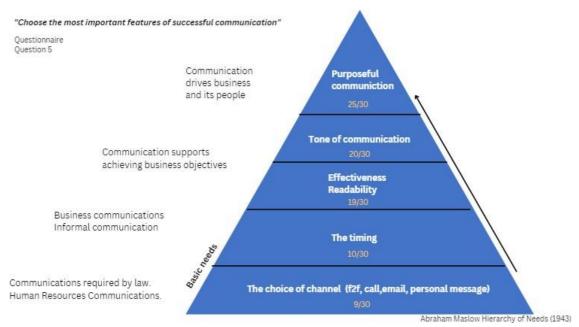


Figure 8 - Pyramid of internal communication needs (based on Maslow's theory)

Figure 8 shows reflection of Maslow's hierarchy of how the respondents of the questionnaire observe successful communication. At the bottom of the hierarchy is the choice of channel, which received 9 responses, following with the timing, effectiveness, and readability of communication, and at the top of the pyramid can be seen the tone of communication and the purpose was chosen by 25 out of 30 respondents, resulting in 83% choosing that as the most important feature of successful communication.

The pyramid shows that the sample of the questionnaire emphasized that successful communication is impacted by what is communicated, how the message is formed in the sense of efficiency, tone, effectiveness, readability, and when it is communicated. This could be adapted to the richness of the media; hence, the respondents prioritized factors that lean towards richer media, for more purposeful, and engaging media. Overall, context and its purpose, and factors that impact it the interpretation of the message play a more significant part than which channel the message is delivered in. Although, communication channels play an important part in the pyramid by providing the basics and a platform for communication to take place.

9.7 Regression analysis: motivators

Table 10 depicts the results of the questionnaire in the form of a regression analysis.

Table 10 - Regression analysis

| Regression Analysis | | | | | | |
|---|--------------------------------|-----------|-------|----------|---|--|
| Variables Coefficients Std. Error T-value Probability | | | | | | |
| Purpose | 1.27520 | 0.5777000 | 2.207 | 0.037500 | * | |
| Tone | 1.41550 | 0.5056000 | 2.799 | 0.010200 | * | |
| Effectiveness | 0.79980 | 0.7998000 | 1.994 | 0.058100 | | |
| Readability | 0.87850 | 0.4509000 | 0.450 | 0.063700 | | |
| Timing | 0.91570 | 0.3955000 | 2.315 | 0.029900 | * | |
| Channel | 0.87840 | 0.4029000 | 2.180 | 0.039700 | * | |
| | Residual standard error 0,8363 | | | | | |
| R-squared 62,65% | | | | | | |
| F-statistic 12,02 | | | | | | |
| p-value 0,0000006961 | | | | | | |

* probability less than 0,05

. probability less than 0,1

Research Model: Motivation = 1,28*Purpose + 1,42*Tone + 0,8*Effectiveness + 0,88*Readability + 0,92Timing + 0,88*Channel

The data implies that the employees of SAP Barcelona find these following factors as the main motivators towards internal communication: purpose, tone, effectiveness, readability, timing, and channel. Multiple R-squared: 62,65%, shows that the variables explain 63% of internal communication satisfaction motivation of an employee.

Coefficients of the model are positively correlated to a worker's motivation when it comes to internal communication, meaning that according to the research, if the variables are improved, it increases the satisfaction of internal communication.

9.8 Thematic analysis: interview results

Thematic analysis is used to combine all the following components: internal communication, employee motivation and a hybrid working model. The following table 11 presents common findings from the interviews.

| Table 11 - Thematic ana | lysis |
|-------------------------|-------|
|-------------------------|-------|

| Area | Interviewee | Codes | Themes |
|---------------------------|-------------|---|----------------------|
| | 7 | "In outlook, there is a lots of links and takes time to actually read through it. | Time-consumption |
| | | It can be hard to sort what is important and what is not" | Information overload |
| | 2 | "Teams pop up notifications catch the attention the best - can answer to the pop immediately" | Efficiency |
| Internal communication | 8 | "A lot of communication is received, emails etc. irrelevant. It can be overwhelming and consumes time to clean. I think it overshadows time from important things." | Relevancy |
| | 12 | "Nice to get informed about a lot of things" | |
| | 1 | "All the communication is relevant. It just depends for who" | |
| | 5 | "Face to face is always quicker" | |
| | 3 | "Teams is hard to miss. Can be even a bit distracting." | |
| | 12 | "Many messages increases stress levels when you need to remember this and this." | Stress |
| Employee | 1 | "Receiving personal messages from colleagues is motivating" | Positive feedback |
| motivation | 6 | "I can get stressed about emails. Especially after a break it is an insane amount" | |
| | 5 | "I feel like I need to check my messages in case of urgent messages. It can be stressful." | |
| | 2 | "After the pandemic, it is a lot harder to get people's attention since everything is more digital." | |
| Hybrid | 1 | "It is easy to talk to colleagues, especially at the office. | Colleagues |
| Working | | When working from home, I don't ask questions that easily" | Attention |
| | 9 | "Productivity is a lot better at the office, unless there is a lot of nice colleagues around." | Digitality |

A common code that can be found among the data around internal communication occurs around time, and the same goes for the themes: timeconsumption, information overload, efficiency, and relevancy.

The findings about employee motivation are stress-related, mainly citing the previous theme: information overload. This was mentioned in each of the interviews at some point. Another theme, with less data to support it, was positive feedback.

Lastly, hybrid working codes were digital, annoyance, colleagues, and productivity. The code: colleagues, came up in employee motivation, and in the results of the questionnaire when asked what motivates employees at work. The themes that these codes combine are colleagues, attention and digitality.

10 Conclusion

This research aimed to identify how internal communication influences employee motivation in a hybrid working model. Sub-questions were established to strengthen the main research question. These questions examined the impact of hybrid work as well as the influence of internal communication in the employees' daily work. Both factors; internal communication in a hybrid working model and motivation are complex processes with many influential factors. Although, the influence is harder to analyse directly, communication and motivation are both major sources and factors that influence the corporate world and its profitability.

The reflection on Maslow's theory, the pyramid of internal communication needs found evidence that the choice of channels among the employees in SAP Barcelona was dependent on the context. The role of the channels was found to be at the bottom of the pyramid. The employees acknowledged the role of channels as an essential tool to communicate, but not the main contributor or source to successful and motivating communication. Common themes that were observed throughout the qualitative research were that efficiency and operative tools of communication, especially when working remotely, were rather important.

The participants in this thesis gave interesting insights and were diverse in their opinions and experiences. The findings highlighted the importance of the context and purpose of what is being communicated, they shed light on the quality and richness of communication rather than the quantity. The reflection on the results of the qualitative research and Herzberg's motivation theory emphasized the importance of time-efficiency in business communication, hence, the dissatisfiers, also referred to as hygiene factors, were mainly caused by factors that influence the flow of the communication process such unclarity or information overload. Nevertheless, the consequences of this phenomenon can

be perceived as having an impact on employees' stress levels, productivity, and their daily work whilst completing their daily work tasks.

Employee motivation in SAP Barcelona's digital hub was not independently reliant on internal communication. The results of the qualitative data showcased that the main motivator among the sample was colleagues, which was indirectly impacted by internal communication, since communication (channels and tools) enable conversations with colleagues. Furthermore, the findings highlighted that internal communication motivates especially when communicating with colleagues, and when receiving positive feedback or personal messages.

The thesis aimed to use multiple methods and samples in the research to increase generalizability and confidence in the conclusion. Taking everything into account, internal communication's role is undeniable within organizations, and its impact on employee motivation is dependent on many factors. A one-size-fits-all approach rarely exists, which would automatically lead to a positive outcome. Every single organization carries its differences that should be considered when creating an internal communication strategy, however, it should be taken into consideration that internal communication transforms in a hybrid working model. Ideally, a highly developed internal communication strategy can drive positive business results, decrease dissatisfiers, and increase motivation among employees. The question might arise whether internal communication is taken into consideration and measured within companies.

10.1 Limitations and further research

The current investigation represents the first test of the phenomenon in question, with a focus on a case study. The main research question of this thesis is wide and covers three different topics, which adds limitations to the literature review and can be seen in the depth of the research and analysis.

The results of this study are encouraging and should be validated by a larger sample size, and further, more in depth-analysis, possibly by building a

quantitative analysis, as qualitative research was carried out for this thesis in order to understand the research question better. To study the generalizability of the relationship between the factors (internal communication, employee motivation, and a hybrid working model), further and more comprehensive research is recommended.

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Appendices

Interview profiles

The interviews were conducted in the Digital Hub of Barcelona. Interview profiles (see the table) are presented anonymously due to interviewees preferences.

| Interviewee | Job Title | Gender | Age | Experience in SAP | Education |
|-------------|--------------------------------|--------|-----|-------------------|-----------|
| 1 | Sales Development Executive | Male | 21 | 3.5 months | Bachelor |
| 2 | Sales Development Executive | Male | 28 | 2.5 years | Bachelor |
| 3 | Digital Demand Associate | Female | 19 | 4 months | Bachelor |
| 4 | Campaign Coordinator | Female | 23 | 8 months | Master |
| 5 | Sales Development Manager | Female | 33 | 7 years | Master |
| 6 | Sales Development Associate | Female | 25 | 4 months | Master |
| 7 | Content and Innovation Manager | Female | 33 | 3 years | Master |
| 8 | Sales Development Associate | Male | 22 | 7 months | Bachelor |
| 9 | Sales Development Executive | Male | 25 | 1.5 year | Master |
| 10 | Account Executive | Male | 29 | 4 years | Master |
| 11 | Sales Development Executive | Female | 27 | 3 years | Masters |
| 12 | Account Executive | Male | 30 | 6 years | Masters |

Interviewee profiles

* Intern roles: Digital Demand Associate and Sales Development Associate

Microsoft Outlook Usage

Interviewee profiles for Microsoft Outlook usage.

Microsoft Outlook

| Variable | Percentage Interviewees |
|-----------------------------------|------------------------------|
| Trace of communication is needed | 42% 1, 4, 7, 10, 12 |
| Folder usage | 58% 1, 2, 4, 5, 8, 9, 12 |
| Formal (external) emails | 92% 1,2,3,4,5,6,7,8,10,11,12 |
| Challenges to organize inbox | 25% 1,3,6 |
| Follow-ups from peers in case | 25% 4,8,11 |
| missed out on something important | |
| Information overload | 33% 2,3,5,7 |
| | |

Microsoft Teams Usage

Microsoft Teams

| Variable | Percentage Interviewees |
|--|--------------------------|
| Unclarity (short sentences, lack of context) | 75% 1,2,3,4,6,8,9,10,11 |
| Found video calling useful | 83% 1,2,3,4,5,6,7,8,9,12 |
| Need of physical trail | 58% 2,3,5,6,7,11,12 |
| Found pop-up notifications distracting (at the office) | 33% 2,4,9,12 |
| Found pop-up notifications distracting (working from home) |) 67% 3,5,6,8,9,10,11,12 |

Semi-structured interviews

Demographic questions

- 1. Age?
- 2. Gender?
- 3. Where are you from?
- 4. Position?
- 5. How long in the company?
- 6. Education?

Communication in a hybrid working model

- 1. What communication channels are in your frequent usage?
- 2. What channel of communication do you find most efficient?
- 3. Have you experienced challenges communicating through digital channels in the hybrid working model? If so,
 - a. For a small audience?
 - b. For a mass audience?
- 4. When receiving communication: what channel of communication engages you most efficiently?
- 5. Upward / downward / flat communication: what level of communication catches your attention and time the most?

Employee motivation

- 1. How does internal communication impact your daily work?
- 2. How do you feel about internal communication in SAP?
- 3. Does internal communication impact your motivation in work?
 - a. If yes, how?
 - b. What role do the channels play?
 - c. What are the consequences?
- 4. How does internal communication influence your job performance?

Questionnaire pattern

Q1 What is your age? < 25 25-35 36-45 46-55 >56

Q2

How long have you worked in SAP?

Q3

What role are you currently in?

Q4

Approximately, how much time do you consume per workday communicating to your colleagues?

(E.g Face to Face, emails, teams etc.)

25% / per day

50% / per day

75% / per day

100% / per day

Q5

Choose the most important features of successful communication Readibility Purpose Tone of communication The timing

The choice of channel (f2f, call, email, personal message)

Effectiveness

Other:

Q6

What do you find challenging about internal communication?

Q7

How would you improve the internal communication in SAP?

Q8

What are the consequences of unclear communication in your work? Time consumption Frustration Ignorance Missed deadlines Challenging to meet expecations Other:

Q9

What is your preferred working model? On-site working Hybrid work Full-time remotely

Q10

When it comes to internal communication - what is your preferred choice? Digital communication On-site communication Both

Q10 Why is that?

Q11

What factors make you motivated with your work?

Benefits

Flex-Work

Company culture

Colleagues

Internal communication

The work itself

Work results

Other:

Questionnaire (Q10)

| Respondent | When it comes to internal communication, what is your preferred choice? | Why is that? |
|------------|--|--|
| 1 | Both | Its more about the purpose than the medium |
| 2 | Digital communication | digital communicaiton is more effective and time saving |
| 3 | Both | There are matters that can't be discussed properly over a digital communication, on the other side, simple matter can be very easily Enlighted through digital communication which saves a lot of time |
| 4 | On-site communication | More intentions to actively interact |
| 5 | On-site communication | With digital communication, I think some of the tonality and body language is lost, which makes it more difficult to convey the intention behind the communication |

| 6 | On-site | More interactive |
|----|---------------|--|
| 0 | communication | |
| | communication | |
| 7 | On-site | Easier to show something and ask |
| | communication | question without the limit of digital tool |
| 8 | Both | I like the flexibility |
| 9 | Both | Digital often more effective - in person has |
| | | more personality to it (small talks, tone) |
| 10 | Digital | Efficiency |
| | communication | |
| 11 | On-site | Tone is more clear and immediate |
| | communication | responses |
| | | |
| 12 | Both | Depending of context |
| 13 | Both | Digital is more effective and leaves a |
| | | trace. In person is more personal. |
| 14 | On-site | |
| | communication | |
| 15 | Digital | I am introverted and do not like face to |
| | communication | face meetings |
| | | |
| 16 | Both | |
| 17 | On-site | I want to analyse people's body language |
| | communication | |
| | | |

| 18 | Both | For me there is no difference |
|----|--------------------------|--|
| 19 | On-site communication | body language |
| 20 | Both | I like both ways of communicating, it depends on the occasion though. I prefer important meetings face to face, more general meetings can easily be done online. |
| 21 | Digital communication | I feel like i am more efficient at home working, hence i also prefer digital communication |
| 22 | Both | For me there is no difference between the two |
| 23 | Both | No difference for me between the two choices of communication |
| 24 | Both | I like both |
| 25 | On-site communication | Especially when you are new, on site working and communication is a lot better to learn |
| 26 | Both | It does not matter to me |
| 27 | Both | I like to see the person in front of me and his/hers mimic & body language because |

| | | this is not always the case for digital communication. |
|----|--------------------------|---|
| 28 | Both | Depends on the occasion/purpose of the communication |
| 29 | On-site communication | I do not receive/give too much communication, therefore I prefer to work and communicate remotely |
| 30 | Both | A good mix between the two is key |