

The effect of transformational leadership qualities on employee motivation in the hotel industry

Case study: Scandic Hotels Finland

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<p>Leadership and motivation are topics that have fascinated researchers already for decades. In the hotel industry, where customer satisfaction is to be guaranteed and customers' expectations are to be exceeded, leaders' ability to motivate employees to perform to the best of their abilities is being highlighted.</p> <p>This research paper intends to understand the link between leadership qualities and motivation at Scandic Hotels Finland, the winner of Great Place to Work survey 2017. Scandic Hotels, the Nordic hotel operator has over 200 hotels in six countries. In Finland, there are around 1000 employees and 26 hotels as of 2017. The aim of this study is to give an overview of the most important leadership qualities for employee motivation and suggestions for solving motivation issues that team members at Scandic are experiencing.</p> <p>Theoretical framework of this research paper consists of understanding the connection between leadership and motivation. In addition, some of the most famous leadership theories have been included to understand leadership in a broader perspective. The concept of transformational leadership was identified with key qualities to motivate employees and was chosen as a basis of this research.</p> <p>Qualitative research method was chosen to gain in-depth understanding of employees' experiences. Interviews were designed as theme interviews according to four transformational leadership dimensions and one transactional leadership dimension. All together 12 interviews were conducted at four Scandic Hotels Finland in October 2017. The interviews were held evenly in departments of Reception, Food & Beverage and Kitchen.</p> <p>The results show that Scandic Hotels Finland are demonstrating several transformational leadership qualities, which encourage employees' intrinsic motivation and arouse team spirit. Interviews revealed that especially freedom for employees to perform work and make independent decisions are important factors for motivation. In addition, rewards and recognitions contribute to employee motivation. The data revealed that problems with work environment can affect motivation levels strongly. The data did not indicate that there is a strong link with leadership qualities being the cause for motivation issues discussed with the interviewees.</p> <p>The thesis project started in the spring 2017 and ended in December 2017.</p>	
Keywords Leadership, Motivation, Transformational Leadership, Hotel industry	

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1 Introduction

The hotel industry is a dynamic work environment that is dependent upon employees around the clock, 365 days a year. It is an industry that requires expertise for Front Desk, Food & Beverage and Kitchen departments that all share the same goal of ensuring guests are always the number one priority. What drives employees in this type of hectic work environment where service standards and business concepts of an international hotel operator are to be fulfilled and money to be generated? How do individuals want to be led in a creative but demanding environment that consists of team members from different generations and backgrounds?

In this research paper, the author as inspired by leadership studies aims to understand the relationship between leadership and motivation. This bachelor's thesis as commissioned by Human Resource department of Scandic Hotels Finland focuses to find out what motivates employees in hotel industry, what is the effect of transformational leadership qualities on work motivation and how leaders could increase the level of motivation in departments that struggle with motivation. Scandic Hotels Finland being the winner of Great Place to Work survey 2017, fascinated the author to learn the reasons behind Scandic's success. In contrast, transformational leadership theory helped her to identify key leadership qualities needed to motivate employees.

The author of this study, a tourism student at Haaga-Helia University of Applied Sciences, developed a great interest in Human Resource Management during her studies and in particular the above-mentioned subjects; leadership and motivation. Furthermore, her previous work experience in hotels had developed her an interest in hotel industry. Discussing her interests with the HR Manager and the HR Director of Scandic Hotels Finland, the thesis topic was established in co-operation. The thesis project started in the spring 2017 and ended in December 2017.

In addition to having the opportunity to conduct a thesis in her field of interests, the author had the opportunity to complete her internship at Scandic's Human Resource department during the thesis project was in process. This especially helped her to familiarise with Scandic's vision, mission and other strategies. Being familiar with Scandic helped her to dig deeper into the topics during interviews.

The research questions of this study were:

1. *Does Scandic Hotels Finland demonstrate transformational leadership qualities?*

2. *Do transformational leadership qualities have a link to employee motivation?*
3. *What kind of problems different departments are experiencing with motivation?*

By being able to answer the research questions, the research goal furthermore aimed to give an understanding about:

1. *The most important leadership qualities for motivation*
2. *How could Scandic Hotels Finland improve the work motivation in departments that struggle with motivation*

Qualitative research method was chosen in order to gain in-depth understanding of the research topic and to truly understand the employees' experiences and concerns. The interviewees were chosen with the help of secondary data from the company's annual employee satisfaction survey Voice 2016, which helped the author to identify the departments to focus on. The secondary data from Voice survey 2016 gave the answers to the required questions:

1. *Which departments experience high levels of motivation?*
2. *Which departments experience lower levels of motivation?*

Interviewing employees from high and lower motivation departments based on Voice survey 2016, enabled the author to gain understanding of the best practices as well as problems team members are experiencing with work motivation. All together 12 qualitative interviews were conducted across departments of Front Office, Food & Beverage and Kitchen at four Scandic Hotels Finland. All the hotels and interviewees stay anonymous in this study.

This research paper first intends to understand the link between leadership and motivation from theoretical point of view. After the definition of the two topics and their link to each other, introduction to the most famous leadership theories are included to understand leadership in a broader perspective. The last part of the theoretical framework includes deeper understanding of transformational leadership theory that gave this research its structure. The next following chapters include methodology that explains the research method chosen, the planning process and implementation. The final part of this study include the analysis of the research results and discussions with suggestions and conclusions about best practices for motivating employees in the hotel industry.

2 Scandic Hotels

Before moving on to the theoretical framework, let us look at the commissioning company in more detail. This chapter introduces Scandic Hotels, first by explaining the business concept, then moving on how Scandic trains its leaders as of 2017 and then looking into the results of employee surveys from 2016.

2.1 Business concept

Scandic Hotels started its operation in 1963 in Sweden, and today is the biggest hotel operator in the Nordic countries. Hotels are currently located in six countries including Sweden, Finland, Norway, Denmark, Poland and Germany. All together in all operating countries as of 2016, Scandic has 15 000 employees, 223 hotels and 42 000 hotel rooms. Scandic has placed itself in the mid-market segment and while the hotel chain serves for all types of travellers, 70% of the revenue in 2016 was gained from corporate clients and the rest from leisure travel. In the same year, the turnover consisted of accommodation (67%), meeting & conferences (14%) and food & beverage (19%). Annual sales of 2016 were SEK 13 billion. (Scandic 2016a, 2017g.)

This thesis was commissioned by the Human Resource department of Scandic Hotels Finland. In Finland, there are 26 hotels with approximately 1000 full-time Scandic employees in departments including the main operative departments of Front Office, Food & Beverage and Kitchen. In addition, there are support office functions such as sales, marketing, revenue, human resources and finance departments. Scandic Hotels Finland in addition operate three Hilton Helsinki Hotels, and in spite of these hotels are under Hilton brand, Scandic is responsible for the management, support functions and training programs of employees at Hilton Helsinki Hotels. (Scandic 2017g.)

In 2016, Scandic launched its new vision, mission and values that act as guidelines of the company culture. The vision of Scandic is to be *“a world-class Nordic hotel company”* and the mission is *to “create great hotel experiences for the many people.”* The culture is built on four values that have been recognised to guide team members in their everyday actions and relationships internally and externally as well as to help to retain loyal customers and accomplish missions. The values, *“Be caring”* refers to being warm and open-minded while caring about people, planet and society. *“Be you”* refers to being a unique individual, *“Be bold”* refers to going out of one’s comfort zone and finally *“Be a pro”* is about delivering high and consistent quality. (Scandic 2016a, 2017g.)

2.2 Leadership at Scandic

Frank Fiskers, the president and CEO of Scandic between 2013 and 2017, described in the 2016 annual report that leadership is one of the focus areas for Scandic in 2017 (Scandic 2016a). In the summer 2017, Scandic introduced its new leadership model for the company's leaders that consists of elements that align with the company values and which act as guidelines for all leaders, from shift leaders to general managers (Scandic 2017e).

As per the new leadership model, leaders are trained with four guiding principles. The first element is illustrated as trust, which explains leader's ability to show complete responsibility for the team's results as well as accountability in all situations. Leaders are to act as role models through actions instead of words. The second element is named as inspire, which describes leader's ability to set clear objectives, be transparent in communication and encourage innovative approach to problem solving. The third element is called collaborative that includes building a diverse team, where everyone feels they can be open about their ideas. Leaders are to take into consideration individual strengths of team members. The fourth element is illustrated as empower. This guides leaders to coach and support team members, provide clear regular feedback as well as develop leader's own skills further. (Scandic 2017e.)

The readers of this research paper should keep in mind nonetheless that this new leadership model was introduced only in the summer 2017 but the decision for who to interview was made based on the secondary data from Voice 2016 employee survey. Thus this new leadership model is not in a direct connection with this research. Voice 2016 results were based on the previous leadership philosophy and this can be considered as one of the limitations of this research, since the new leadership model could had had an effect on the motivation levels by the time this study was conducted. (Scandic 2017g.)

2.3 Employee surveys

The results from the annual Voice survey that measured team members' motivation and drive throughout the organisation came out as excellent in 2016, with the index of 760 in the whole organisation (700 and above = excellent) and 812 in Finland, which placed Finland in the highest performing Scandic-country along with Denmark (Scandic 2016a, 2017f). The results from Voice 2016 were used as a tool for this thesis, and the use of this secondary data will be introduced later in the methodology section 5.3.



Figure 1 - Voice Index 2016 all operating countries (Scandic 2016a)

VOICE INDEX

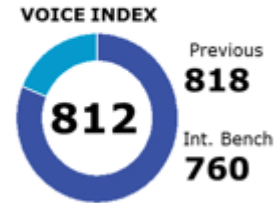


Figure 2 - Voice Index Finland 2016 (Scandic 2017f)

In addition to Voice, Scandic Hotels Finland gained recent publicity as an employer for winning the title of best large employer of Finland by Great Place to Work survey in the beginning of the year 2017. The 151 companies that took part in this survey were analysed based on how employees feel about their work place. In addition, companies were analysed for their internal processes. The survey results were a much-celebrated achievement for Scandic Hotels. (Scandic 2017b.)



Figure 3 – Great Place to Work label (Scandic 2017b)

Why Scandic is excelling in employee surveys then? Scandic describes its recruitment philosophy in its Annual Report 2016 being simply about selecting team members with right attitude and skills as well as motivating them and giving them the resources to grow professionally and as individuals. We can indeed note that Scandic emphasises how employee well-being, personal development, training and new opportunities are all major components in the company's strategy.

As can be observed from the company's website, Scandic focuses on explaining how as an employer Scandic gives opportunities to grow within the organisation with its wide range of training programs. Investing in training enables employees to move from one department to another and to develop into managerial roles if one wishes to do so. (Scandic 2017d.) Scandic is also active in promoting equality matters and highlights that employees are not discriminated for gender, origin, age, or other factors. Furthermore, Scandic

stresses the importance for its employees to have a balance between work life and free time. (Scandic 2017c.)

It does seem evident that Scandic Hotels are already in the right direction with employee motivation. Despite the excellent results from Voice 2016 and Great Place to Work survey in Finland, it can be observed from Voice 2016 results, that there are departments where employee motivation does not align with the overall company's survey results. The question was then raised whether leadership is a big player in this and so was the topic of this study established.

The motivation levels are studied through understanding the importance of leadership, it also being in the focus area for Scandic in 2017. This thesis therefore intends to understand the reasons behind the success of Scandic Hotels Finland, problems employees are experiencing that affect their motivation and whether transformational leadership qualities have a strong impact on employee motivation. The aim of this research is to provide understanding about the best practices of transformational leadership qualities on motivation and suggestions on how motivation could be enhanced in teams that struggle with motivation. In the next chapters, we will delve deeper into the topic with the help of theory and try to understand the effects leadership has on employee motivation.

3 Leadership

This chapter introduces the concept of leadership, leadership and motivation linked to each other, the concept of leadership styles and main leadership theories.

3.1 Leadership defined

Leadership has been one of the most researched topics of organisational behaviours (Kel-loway et al. 2013, 107). Theories of leadership have existed in literature since the mid-20th century. For example, Tannebaum in 1964 defined leadership as an influence of human relationships. (Minett et al. 2009, 439.) In contrast, Davies in 1981 described leadership as *“the capability of convincing people to strive in order to reach organisational goals”* (Celik et al. 2015, 54). A more recent definition by Robbins in 1993 described leadership as the ability to influence a team towards achieving organisational goals (Minett et al. 2009, 439). In other words, Dwight D. Eisenhower (in Wilkins 2013, 25) defined leadership like this: *“by leadership we mean the art of getting someone to do something that you want done because he wants to do it.”*

Stodgill already in 1974 noted that *“There are almost as many definitions of leadership as there are persons who have attempted to define the concept”* (English 2005, 92). Yet, looking at the definitions by different individuals still indicate that leadership is about influence and power. However, what leadership is supposed to be in the year 2017 is an interesting question in the research world.

One perspective to look at leadership is to differentiate a leader and a manager, and for a long time, academics have tried to seek answers for this (Brooks 2009, 164). Kotter in 1990 (in Hyppänen 2013, 15) differentiated the two from each other and defined that managers' tasks include time-management, taking care of resources as well as defining job roles and guidelines. In contrast, leaders' tasks include tasks of communicating a vision, giving a bigger picture for the future as well as motivating, encouraging and communicating the needs and expectations from the organisation to the employees (Hyppänen 2013, 15). It is however always not so simple to define whether an individual is a manager or leader since an individual may have qualities of both (Brooks 2009, 163). Byrnes (2009, 223) reminds that people have different types of skills, which may mean that a good leader is not necessarily a good manager, and vice versa.

3.2 Leadership and motivation

Motivation is a term that originates from the Latin word *movere*, which means “to move”. The topic is complex, since individuals are motivated by different factors. (Cinar et al. 2011, 690.) Wregner and Miller in 2003 defined motivation as something that gives energy for individuals to take action (Kian & Yusoff 2012, 400). In contrast, Fuller et al. (2008) described it as something that makes people to work towards organisational goals while satisfying individual needs.

One way to look at motivation is to differentiate intrinsic and extrinsic motivation. Intrinsic motivation can be described as individual’s psychological motivation and it is intangible. As an example, intrinsic motivation can come from a simple pleasure one gets from challenge, enjoyment and curiosity. In contrast, extrinsic motivation occurs when individuals are engaged in work by external factors that include rewards and recognitions. (Perry & Jik 2012, 384.)

We can note that the large amount of research literature written on leadership evidences the importance of the topic and which proves that the link between motivation and leadership is strong. It is indeed primary to understand what motivates people and make them want to work for you. (Byrnes 2009, 236.) Studies have shown that leadership and motivation are in a direct interaction with each other and that a particular leadership style can have a significant impact on the performance of employees. Thus, we can say it is essential that leadership style is corresponding to the motivational needs of employees as already studied by Maslow in 1954 and Argyris in 1974 (in Buble et al. 2014, 162). Leaders have the key role to ensure dedication of followers to accomplish mission of the organisation. Research shows that organisations are incapable of being successful if leadership is not competent to motivate employees to perform. (Buble et al. 2014, 162.)

Leadership is indeed often associated as having a direct impact on employees’ motivation, performance and the feelings they have towards their work (Kelloway et. al. 2013, 107). One study suggests that employees who are given the opportunity to take part in work training that has elements of empowerment, and who have an appropriate level of income, along with other rewards are motivated to achieve organisational goals (Karatepe 2013, 134). As another study suggests, leadership can even have a greater effect on employee’s mental health and well-being than for instance events and stress happening in employees’ personal life. It is thus evident that understanding how leadership can affect individuals is a tremendously important leadership tool. (Kelloway et al. 2013, 107.)

One significant question that arises from leadership studies is to understand which leadership styles as a combination would be most effective in employee motivation. The topic is fascinating for researchers, and has been discussed already for decades. Bass and Avolio in 1999 (in Buble et al. 2014, 163) suggested, that transformational leadership style and motivation levels have a strong link. In contrast, another study described that people-oriented leadership approach is an important factor for employee motivation. A recent study presented that those leaders who are friendly, open and easy to approach and who consider employees equally, and as individuals are more likely to get high employee involvement to achieve common targets. (Buble et al. 2014, 163.) Similarly, the results of a study from German hospitality industry support that an adequate leadership style is an important factor. The study suggest that employees who are satisfied with their job are more willing to provide high quality of customer service, thus leaders' ability to positively affect employees is crucial. (Rothfelder et al. 2013, 212.)

Several studies suggest that a particular leadership style can have an effect on how one performs work. For instance one study considers that leadership styles and behaviours of leaders potentially can have a great impact on achievement of organisational goals and suggests that in an effective leadership the ability to manage employees' emotions along with other leadership tasks such as organising and planning are all important. (Ozcelik et al. 2008, 187.) As suggested by another study similarly, leadership indeed influences the way employees adopt business strategies, especially in the field of customer service. Studies suggest that in the hospitality industry, where employees have a direct customer contact, it is a highly important leadership skill to be able to motivate employees to deliver the highest standards of customer service and customer satisfaction. (Clark 2009, 210-211.) One research noted that "*happy employees are necessary for happy customers*" (Rothfelder et al. 2013, 201).

Recently the relationship between management of employees' emotions and performance has been studied. It has been found out that leadership traits such as inspiration, motivation and leader's ability to consider employees as individuals helped employees to feel more positive in their workload and this furthermore helps employees to perform better in their work. (Ozcelik et al. 2008, 187.) Positive working atmosphere created by team leaders also has been found to increase team performance in another study (Pirola-Merlo 2002 in Ozcelik et al. 2008, 187). Recently, there has been several studies of positivity in leadership, where positivity has been identified and defined as leader's psychological capital (Kelloway 2013, 108).

3.3 Leadership styles

To define a leadership style as described by Dr Ian Brooks: “*behaviour of leaders towards subordinates, the manner in which tasks and functions are conducted*” (Brooks 2009, 168). Leadership is often considered as the most important role in an organisation. Styles of leaders can vary according to various factors such as personality traits and philosophy of the leader, the business environment and leader’s background such as education and training. However, leadership styles of individuals also vary depending on specific situations. Leaders can apply different types of styles that can vary for instance from directive and autocratic leadership styles to more empowering approaches that give employees more authority to perform their work. (Clark 2009, 211.)

For a long time, researchers have identified different leadership styles that they tend to put into different main groups. For instance, Dr Ian Brooks suggests that leadership research originally developed into three bigger groups: Trait theories, behavioural theories and situational theories. Later on, the concepts of transformational and transactional leaderships were established. (Brooks 2009, 165-166, 179.)

In the below chapters, leadership theories are introduced following the above mentioned development. In addition, introduction to positive leadership concept has been added, since the concept has gained interest by the commissioner.

3.3.1 Trait theories

The trait theory of leadership can be considered as one of the first modern theory of leadership, and is based on the belief that people are born or made with specific leadership qualities. The theory was investigated throughout the entire 20th century by many researchers and is still being discussed in the world of research. (Northouse 2010, 15.) Although many academics have attempted to understand the relationship between personal characteristics and leadership ability, also a lot of critic for trait theory exists (Brooks 2009, 167).

In the beginning of the 20th century, the first concepts were called Great Man theories, which concentrated to understand the leadership qualities of political, social or military leaders, such as Abraham Lincoln and Mohandas Gandhi. Later on in the mid-20th century, Stogdill in 1948 and Mann in 1959 started to investigate the concepts in major surveys. (Northouse 2010, 15-18.)

Stodgill in 1948 and Mann in 1959 conducted a research on the relationship between personal traits such as physical characteristics as well as social background and level of intelligence and leadership, but the research did not prove a strong link between the traits and leadership effectiveness. Later on, Bennis and Nanus in 1985 studied the link between leadership and specific traits of logical thinking, empowerment, self-control and persistence and established that these qualities form some relationship with the effectiveness of leadership. These traits include for example leader's ability to explain phenomena in a unique manner, being able to improve employees' self-confidence, being able to work under pressure and work long hours. (Brooks 2009, 166-167.) According to more recent studies, researchers have identified that some traits such as intelligence, aggressiveness and the ability to make decisions tend to have a link with leadership ability (Byrnes 2009, 231).

In another perspective, trait theory was studied in 1990s, and it was identified that emotional intelligence is as an important trait for leadership. Emotional intelligence has been suggested to be a major factor in how successful people are. It has been identified that emotional intelligence is a combination of personal and social competencies. Personal competences include traits such as confidence and conscientiousness and social competences include traits such as the ability to be emphatic. (Northouse 2010, 23-24.)

3.3.2 Behavioural theories

Behavioural theories, also known as style approach, focus on how a leader behaves instead of how his or her personal characteristics are. The theories entirely emphasise how leaders act and what they do. Researchers tend to divide this style into two types of behaviours that are either relationship-oriented or task-oriented. Task-oriented leaders focus on leading teams to achieve given goals, while relationship-oriented leaders focus on the interactions with team members and work on raising the team spirit. The main question is how leaders can apply both approaches in order to reach goals. (Northouse 2010, 69.)

Another approach in behavioural theories was made by McGregor in 1960s who established famous theories of X and Y that believe leaders are different to each other according to how they see the human nature. Theory X considers people to be naturally lazy, have lack of ambition and sense of responsibility, and thus need to be controlled. In contrast, theory Y believes that people in nature have a little need for control and they are naturally responsible and ready to work towards organisational goals. (Brooks 2009, 170.)

Behavioural theories are an improvement from trait theories however one can argue that there are issues with these theories since they do not take into consideration unique situations or contexts (Brooks 2009, 171).

3.3.3 Situational theories

Situational leadership theories believe that circumstances at work place are different depending on several factors and thus leadership styles should be adapted to the situation (Byrnes 2009, 230-232).

Researcher Fred E. Fielder in 1967 established a contingency theory that suggests that leaders differ on how task or people-oriented they are, and therefore different type of work requires approaches that are either more task oriented or relationship oriented. Somewhat similarly, Paul Hersey's and Ken Blanchard's situational leadership theory from the mid-1970s, believes that employees' readiness, and the type of task define what type of approach the leader should take. Leaders are to focus on either task or relationship oriented style that include telling, selling, participating or delegating approaches. As an illustration, a telling style could be applied when training a new employee who has a little knowledge of the tasks or little initiative or self-confidence. (Byrnes 2009, 230-231.)

In contrast, normative leadership theory by Victor Vroom and Phillip Yetton in 1973 suggest that leaders make decisions autocratically, in consultation or in groups. In this model, applying autocratic leadership means that leader makes decisions independently. Consultation is applied when leader gains ideas and solutions to problems in consultation with followers and finally, group style is applied when leader shares decision-making with followers. (Byrnes 2009, 230-232.)

Robert J. House and Terence R. Mitchell created another situational leadership theory. This theory, known as Path-goal theory suggests that leaders should apply a style of directive, supportive, participative and achievement-oriented in order to achieve organisational and personal objectives. In this model, it is critical for a leader to analyse which approach is the most suitable for the specific situation as applying the same approach to a situation that has been applied previously may not always be the most suitable one. (Byrnes 2009, 230-233.)

3.3.4 Transactional and transformational theories

Transformational leadership approach was established by merging trait, behavioural and contingency styles (Pihie et al. 2011, 1082). This theory is one of today's most studied

leadership approaches in order to understand the interaction between leader and employees (Bass & Riggio, 2006, xi). Transformational leadership was first introduced in 1973 by Downton, and was furthermore studied by Burns in 1978, who differentiated that leadership is either transactional or transformational. Transactional leadership was then defined as an approach where leader motivates followers to achieve stated objectives as an exchange of a promotion, for example. Transformational leaders in contrast, motivate and inspire followers to achieve higher results using their fullest potential. (Northouse 2010, 172.)

Bernard M. Bass' expanded the leadership theory more in 1985 and distinguished that there are three components of leadership factors. This full-range theory includes transformational leadership, transactional leadership and non-leadership theories, including eight different dimensions. The transformational dimensions are named as idealised influence, inspirational motivation, intellectual stimulation and individualized consideration. Transactional dimensions are called contingent reward, active management-by-exception and passive management-by-exception. The 8th dimension of non-leadership is called laissez-faire. (Rothfelder et al. 2013, 203.) The dimensions are as shown in the figure 4 below.

Bass' Leadership Factors		
Transformational leadership	Transactional leadership	Non-leadership
Dimension 1 idealised influence	Dimension 5 contingent reward	Dimension 8 laissez-faire
Dimension 2 inspirational motivation	Dimension 6 active management-by-exception	
Dimension 3 intellectual stimulation	Dimension 7 passive management-by-exception	
Dimension 4 individualised consideration		

Figure 4 – Bass' leadership factors (Rothfelder et al. 2013, 203)

Bass and Avolio in 1990s described that transformational leaders promote enthusiasm and optimism, and encourage followers to believe in themselves and their ability to achieve higher results that they would not have believed to be able to achieve themselves. Transformational leaders communicate organisational vision and mission clearly, demonstrate self-confidence, which results in respect, and trust from followers. They instill motivation in followers and inspires followers to go to new heights. (Dai et al. 2013, 765.)

Furthermore, they recognise employees' individual needs, supports their personal development and help them to reach self-actualisation and personal achievement while working towards the wellbeing of others, the organisation and society (Erkutlu 2008, 709-710).

Transactional leadership model suggest that leaders provide rewards when followers complete tasks effectively and according to what was agreed. Transactional leaders can either practice management-by-exception in active or passive form. Active management-by-exception is practiced when leader is constantly monitoring and correcting one's performance. Passive management-by-exception in contrast is practiced when leader interferes only when there is something to correct in one's work. (Rothfelder et al. 2013, 205.)

Laissez faire – non-leadership can be illustrated as an absence of leadership. This style represents a leadership that takes little or no effort to help employees to develop themselves. They give complete freedom to employees to do their work, and thus are uninfluential and inattentive. (Rothfelder et al. 2013, 206.)

Transformational leadership theory's four dimensions and transactional theory's one dimension on contingent reward were chosen as a basis of this research. Non-leadership component Laissez Faire was left out from this study completely since it has been negatively associated with hospitality industry as studied for example by Erkutlu (2008, 720). The five dimensions are introduced with more details in the chapter 4.

3.3.5 Positive Leadership

Positive leadership is a new concept that originates from transformational leadership (Wegner 2016, 92). The model consists of principles from the following fields of study: Positive organisational scholarship by Cameron, Dutton & Quinn in 2003 and Cameron and Spreitzer in 2012, positive psychology by Seligman in 1999 and positive change by Cooperrider & Srivastva in 1987. The positive leadership model includes four strategies that are called positive climate, positive relationships, positive communication and positive meaning. (Cameron 2012, 2.)

The first strategy, Positive Climate is a work environment where positive feelings dominate negative feelings. Employees in positive climate are happy and optimistic. Cameron describes that leaders that create a positive climate at work tend to have employees who are committed and thrive in the organisation. (Cameron 2012, 25-27.) The second strategy, Positive Relationships do not only promote employees to get along with each other,

and to avoid toxic interactions, but also promote positive results physiologically, psychologically, emotionally and organisationally. Studies suggest that positive relationships improve health, well-being and the nature of relationships. (Cameron 2012, 45-46.)

The third strategy, positive communication is about replacing negative communication with positive communication. This approach includes giving positive feedback on strengths and unique inputs of employees. Negative comments instead are to be communicated in a supportive manner. (Cameron 2012, 65-66.) The fourth and last strategy, positive meaning is about engaging employees in meaningful work. When employees are given a meaningful purpose, or involving employees in work that is personally important to the employee, it will give major positive outcomes such as decrease of stress levels and improvement of commitment and satisfaction. (Cameron 2012, 85.)

4 Transformational Leadership

In this chapter, we will delve deeper into the elements of transformational leadership theory. The decision to choose this theory as a base of this research was made after careful consideration. Two leadership models were discussed with the commissioner in the first meeting; Positive Leadership concept and Transformational Leadership theory. Positive leadership concept was seen as a potential theory but was not chosen, as it appears to be still a relatively new model and in the research world, appears not yet have developed to be a full-range theory. This could be observed by the lack of academic sources. Transformational leadership was chosen based on many studies suggesting that employees of transformational leaders are more willing to put their efforts for the benefit of the organisation but also because it was seen as an inspiring leadership theory that consist of several features from the commissioner's current leadership approach.

4.1 Transformational leadership qualities

The decision to choose transformational leadership theory for the basis of this research was supported by studies that suggest transformational leadership style is particularly essential in the hospitality industry where customer expectations are to be exceeded. Transformational leadership style is considered fostering employee satisfaction and commitment at organisations, which furthermore results in better performance and customer service. Studies also suggest that transformational leadership promotes innovation as well as results in employees directing their energy to the organisation and thus, resulting in a more committed workforce that promotes improvements in the organisation. (Patiar & Wang 2016, 586-587.)

In addition to research suggesting employees of transformational leaders want to direct their energies to the organisation, studies describe that especially in teamwork, transformational leadership is effective as it promotes team cooperation to work towards a common vision. Transformational leadership is described as resulting in higher levels of potency, cohesion as well as morale, which then results in improved team execution. (Patiar & Wang 2016, 589.) Studies describe how transformational leaders have the ability to influence employees' emotional attachment, motivate them, which results in exceptional performance (Tebeian 2012, 316). Furthermore, transformational leaders motivate and inspire followers to maximize their performance and to work for the benefit of the organisation by promoting a work environment of trust (Patiar & Wang, 2016, 589). Bass and Avolio in 1990s described that transformational leadership can be taught to individuals at all levels and be applied in different situations, such as recruitment, team development and training. (Northouse 2010, 190.)

4.2 Five dimensions

This research is based on the dimensions of transformational leadership theory that are described to be interconnected and unique. The dimensions are characterised as idealised influence, inspirational motivation, intellectual stimulation and individualized consideration, which are also known as the four I's'. Bass and Avolio in 1994 suggested that leaders should apply at least one of the dimensions to achieve better results. (Rothfelder et al. 2013, 203-204.)

In addition to the four dimensions of transformational leadership, transactional theory's dimension about contingent reward was chosen to be included in the research due to studies suggesting it is an essential part of employee motivation. For instance, Judge and Piccolo's meta-analysis in 2004 suggested that contingent rewards increase work motivation (Breevart et al. 2014, 142).

The five dimensions are introduced with more details below.

Dimension 1: Idealised Influence

The first dimension, idealised influence, also known as charisma, describes the leader with traits such as having a high moral standard and working ethically, being trusted to do the right thing and communicating the vision and mission to the followers. Transformational leaders are characterised as highly skilled and confident, determined and bold to take risks. They act as role models and set an example for the followers while sacrificing own interests for the benefit of the organisation. As a result, followers admire, respect and trust their leader. (Rothfelder et al. 2013, 204.) Idealised influence can be considered especially suitable approach with employees, who are inexperienced, unconfident and have low self-efficacy (Bass & Riggio 2006, 86).

Dimension 2: Inspirational Motivation

The second dimension, inspirational motivation, relates highly with the first dimension. Leaders in this dimension make the work of their employees meaningful with setting challenges and goals to achieve. (Rothfelder et al. 2013, 204-205.) They inspire and motivate their employees by using symbols and emotional appeals to achieve more than they would have believed to be possible (Northouse 2010, 179). Leaders work on raising the team spirit, commitment to organisational goals and clearly communicate the expectations and future vision in an optimistic and enthusiastic manner. As a result, followers become more confident and start to believe in their abilities. (Rothfelder et al. 2013, 205.)

Dimension 3: Intellectual Stimulation

The third dimension, intellectual stimulation, refers to leader's ability to encourage followers to be innovative, creative and intellectually involved (Rothfelder et al. 2013, 205). This is especially required from a leader when problems are to be solved and followers are more experienced and confident (Bass & Riggio 2006, 86). Leaders in this dimension inspire followers to become critical, and to look at problems from different perspectives to be able to meet organisation's objectives. Leaders stimulate followers to be open about their ideas and use their intuition. In addition, they do not disapprove followers' ideas even if they are different from leader's own opinions. (Rothfelder et al. 2013, 205.)

Dimension 4: Individual Consideration

The fourth dimension, individualised consideration, refers to leader's ability to value each person as an individual and consider each employee's needs as unique. This dimension shows when a leader has also an ability to make the followers feel appreciated and important part of the organisation. Leaders in this dimension support the personal development of employees. The basis of this dimension include listening, communicating and empowering employees frequently. As a result, followers are likely to feel supported and listened. (Rothfelder et al. 2013, 205.) Key qualities for a leader to apply this dimensions include empathy, care and relationship orientation. Individualised consideration can be illustrated especially important for career-oriented employees and while empowerment is a major component of this dimension it is also directly linked to intellectual stimulation. Empowerment is applied by giving the responsibility and freedom for employees to perform. (Bass & Riggio 2006, 193.)

Dimension 5: Contingent Reward

The fifth dimension, contingent reward, refers to the exchange process between leaders and employees where employees' hard work towards organisational goals are exchanged to rewards, which can emerge in forms of compliments, salary increases or bonuses. Leaders in this dimension concentrate on giving clear objectives to employees and communicate clearly what needs to be done and when. (Rothfelder et al. 2013, 205.) This approach is especially required with employees who are more materialistic, perhaps inexperienced and may not be described as idealistic (Bass 2006, 86).

4.3 The use of the theory in this research

With excellent results from employee surveys in the previous year, it is evident that Scandic is performing high with employee motivation. However, it is still unclear, what is it exactly that motivates employees? How big is the impact that leadership has on employee motivation? Why are there differences between departments when it comes to work motivation? Does leadership play a role in this or is it just individuals getting motivated in different ways? Do transformational leadership qualities have an effect on employee motivation at Scandic Hotels Finland? Especially these questions inspired the author to study motivation at Scandic further.

Fascinated by transformational leadership theory, the author designed the interviews by considering each dimension described in the above chapter 4.2 from motivation perspective, which resulted in questions that fit each dimension. The questions are introduced in the methodology section 5.2.

5 Conducting the study

In this chapter, we will look into research methodology in detail by first understanding different research methods from theoretical point of view, and then looking into author's reasoning why qualitative research method was chosen. Next, we are to understand how secondary research data was used in order to select the interviewees, and how the interview and analysis processes were implemented. Reliability, validity and limitations are the final parts in this chapter.

5.1 Research methods

Research projects always start with a problem or question (Altinay et al. 2016, 5) and often result in a development of a problem or even change (Kananen 2013, 27-30). Different research methods, roughly described as quantitative and qualitative methods, or in other words positivism and phenomenology viewpoints, enable researchers to conduct various types of studies to best understand the studied issues. In order to select the most suitable method, the researcher needs to think thoroughly whether the study requires data that is for example, numerical, descriptive or open. One must also evaluate whether the purpose is to understand a phenomenon, make a generalisation, or to change something. (Altinay et al. 2016, 89.)

The main elements of quantitative data include that the data is gathered with structured questions, which can be analysed in a numerical form or with statistics (Myers 2009, 8-9). This type of data enables researcher to generalise and forecast a phenomenon (Kananen 2013, 33-36). Quantitative research can be divided into descriptive and experimental studies as suggested by Levent Altinay and his colleagues. In descriptive research, the purpose is to measure results without attempting to change it. In experimental study in contrast, the purpose is to test hypotheses and the meaning is to change conditions. (Altinay et al. 2016, 93.)

While quantitative research produces numerical data, qualitative research produces words and sentences gathered with open questions. Qualitative research is conducted most often when there is little or no information about the topic and a deeper analysis is needed to get a thorough understanding of the phenomenon. (Kananen 2013, 31-32.) Qualitative method is especially used when people's emotions, experiences, attitudes and beliefs are to be researched. The purpose of qualitative research is not to make generalisations. Instead it aims to describe phenomenon. (Altinay et al. 2016, 93.)

In addition, sometimes also a mixed method is required since both quantitative and qualitative methods have their own benefits and drawbacks, and sometimes, gathering qualitative data can support quantitative data (Altinay et al. 2016, 93-94). For example, triangulation is method used to cross-check results from more than one research method (Myers 2009, 10).

The decision to conduct a qualitative research was made to gain deeper understanding of motivation factors at Scandic Hotels Finland. The study can be considered as a further study to the annual employee survey Voice that had produced quantitative data in numerical form already. Now it was required to learn more about the feelings, concerns and experiences of Scandic's employees. In addition, since the meaning was not to generalise but to find possible reasons and suggestions, it was clear from the beginning that this research was going to be qualitative. In the next chapter, we will go deeper into the qualitative method chosen for this thesis.

5.2 Theme interview

Theme interviews as described by Kananen (2013, 109): *“A theme interview is used to seek understanding. By enquiry you pry on the core of an issue or reveal the truth”*.

Theme interviews have the focus on the interviewees' experiences and opinions about each topic that is brought up during the interview (Schorn, 2000). Theme interviews are especially effective when the researcher is required to understand a phenomenon and its effectiveness, diagnose a problem or measure results. In a theme interview, an interviewee is asked questions from each theme or topic and each answer may give the interviewer a new question, which clarifies the previous question. This way the interview is progressing as it goes on, from discussion that is more generic to more details. Theme interviews are recorded and transcribed into written format. (Kananen 2013, 109-112.)

Theme interview fitted the purpose of this study since the decision was made to design the interviews according to transformational leadership theory's dimensions, which were considered as different themes. The dimensions or so-called themes were as follows: idealised influence, inspirational motivation, individualised consideration, intellectual stimulation and contingent reward. The 6th theme was called motivation. The interview questions were designed according to each dimension as shown in the below table 1.

Table 1 - Theme interview structure

Idealised Influence / Dimension 1 / Theme 1
--

How does your leader communicate Scandic's vision and mission?
How does your leader demonstrate the company values in her/his actions and how does he/she expect the team to live according to them?
Describe your role model at work. Is your leader your role model?
How does your leader express that he/she is confident that the team will achieve set targets?
How is the future of the organisation discussed in your department?
Inspirational motivation / Dimension 2 / Theme 2
Are you encouraged to believe in yourself and your abilities to achieve even better results? Please describe.
How is the team spirit in your department? How do you develop the team spirit in your department?
How would you describe your feelings towards the future of the organisation and your work?
Do you feel that you know what is expected from you? If not, why not?
How would you describe the atmosphere in your department?
Intellectual stimulation / Dimension 3 / Theme 3
Do you feel that the atmosphere in your department promotes learning new and developing yourself? Please describe.
How do you develop yourself professionally?
Do you feel that you are allowed to be creative and innovative with problem solving? Please describe.
Do you feel that your team accepts your opinions even if they differ from their own? If not, why?
Individualised consideration / Dimension 4 / Theme 4
How does your leader take your personal concerns and needs into consideration?
Please describe your personal relationship with your leader.
Do you feel that you are given opportunities to grow within the organisation if you wish to do so? Please describe.
How is the communication in your team, especially between the leader and team?
Contingent reward / Dimension 5 / Theme 5
Are you satisfied with the current rewarding methods?
Do you feel rewarding is implemented fairly?

Do you feel that you are more motivated in your work to achieve common targets if you are rewarded for it?
Motivation / Theme 6
How would you describe your team's motivation levels right now in your department? How about your own? <i>(this question was asked in the beginning of the interview)</i>
What motivates you personally?
How could motivation levels be enhanced in your department? / What could be the reason your department experiences such high levels of motivation?
Do you feel that your personal opinions represent your team's opinions in general or are there many different views and opinions within the team?
How big is the impact that leadership has in employee motivation?
What are the key qualities for a leader to motivate employees? Are you happy with the leadership here?

5.3 Preparation of data collection

As mentioned earlier, the basis of this research was to analyse the secondary data from Voice employee survey in 2016 in order to select specific departments for interviews that according to the survey had experienced either high levels of motivation or lower levels of motivation. In the early discussions, the commissioner raised the question whether only high motivation departments should be included since the main goal was to produce understanding for what motivates people the most. In the end however, it was decided to also include lower motivation departments to learn about possible problems.

The analysis of the Voice survey 2016 was conducted on one specific area of the survey that measured motivation. The analysed survey results simply listed all departments of Scandic Hotels Finland with results of motivation in the scale of 0-100%, as illustrated in the below table 2.

Table 2 - Illustration of motivation scale 0-100% by departments

Motivation by departments	
Hotel x Front Office department	100 (=100% of employees motivated)
Hotel x Food & Beverage department	89 (=89% of employees motivated)
Hotel x Kitchen department	40 (= 40% of employees motivated)

When analysing the results of motivation from Voice survey 2016, it was decided to consider high motivation departments to hold a score of 88% or higher and lower motivation

departments to hold a score of 67% or lower. The motivation in Voice survey 2016 was measured by quantitative research questions such as the question in the table 3 below illustrates. The question has been translated from Finnish to English by the author.

Table 3 - An example question of motivation in Voice survey 2016

Next two people are discussing their work at Scandic. Their opinions are representing extreme views in this scale. If you agree with the person A then choose the box nearest to the letter A. If you agree with person B then choose the box nearest to the letter B. If your opinion is somewhere in between, choose the most suitable box in the middle.

Person A says: I do what is necessary at work and no one can complain about my work. However, I do not feel I need to go the extra mile in my work performance.

Person B says: I feel strongly committed to my work and I often do more than is expected from me.

The author and the commissioner met on two occasions, first in the spring and second time in the autumn of 2017 to discuss how to proceed with selecting the departments for interviews. In the end, with careful consideration in co-operation with the HR Manager, the decision was made. The decision was not only made purely based on the survey scores but also taking into consideration any changes that had happened in the past year to affect the motivation levels, such as new leaders or team members. The selection was aimed to do based on the team structure being similar to what it was when Voice 2016 survey was carried out. The HR Manager was the key person to identify these changes.

After the selection, the next step was to contact the general managers and departmental leaders of the chosen hotels and departments in order for them to select individuals for interviews. The author sent out an e-mail that explained the research purpose and the benefit the research could potentially have to their hotel. In the end, all selected hotels and departments agreed to participate in the research and the author was able to conduct 12 interviews as was originally planned. In the beginning, the plan was to only interview team members that hold no supervisor roles but in the end 5 out of 12 interviewees were shift leaders. This after all helped to gain understanding from different points of views.

Since the nature of the research topic is sensitive, all selected hotels and individuals were naturally decided to keep anonymous and thus, confidentiality was an important part of

this study. From the beginning, it was crucial to understand the importance to handle all employee related information 100% anonymous.

5.4 Implementation of data collection and data analysis

All together 12 employees from 4 Scandic Hotels participated in this research. Interviews were held evenly on three departments including Reception, Food & Beverage and Kitchen. Interviews were conducted between 04.10.2017 and 23.10.2017. Interviews were held in the hotel locations, in a meeting room or other space away from distractions. Each interview lasted approximately 30 minutes. The language of the interviews was mainly Finnish (11/12) and one (1/12) interview was conducted in English. All interviews were recorded and transcript was made into written format. The anonymity of interviewees was highlighted.

The data analysis was made with a method that the author had learnt during her studies in Service Design course. As presented by Design Kit (2017), data analysis can be done by searching for re-occurring themes and patterns, then writing them on colourful post-it notes and placing them into different categories. This method helped the author to identify topics and problems that were brought up the most.

In the results chapter, the interviewees are referred with a code above the quotation. The number in the code also indicate the hotel, for instance interviewees R1, F1 and K1 work in the same hotel. The below table 4 illustrates the interviewee profiles.

Table 4 – Interviewee profiles

Department	Supervisor role (yes/no)	Gender	Age group	Voice 2016 motivation score of the department >88% = high <67% = lower	Number of quotations in the results	Code
Reception	Yes	Female	Under 30	High	7	R1
Reception	Yes	Female	Under 30	High	9	R2
Reception	No	Female	30-50	Lower	6	R3
Reception	No	Male	Under 30	Lower	9	R4
F&B	Yes	Female	Over 50	Lower	7	F1
F&B	No	Female	Over 50	Lower	6	F2
F&B	No	Male	Under 30	High	6	F3
F&B	No	Male	30-50	Lower	10	F4

Kitchen	No	Male	Under 30	Lower	6	K1
Kitchen	Yes	Male	30-50	Lower	8	K2
Kitchen	No	Female	Over 50	High	4	K3
Kitchen	Yes	Male	30-50	Lower	8	K4

5.5 Reliability and validity

Research credibility can be measured with the concepts of reliability and validity. Reliability refers to consistency (Silverman 2010, 290). In other words, if the research was to be conducted again, the research results would be the same (Kananen 2013, 189). In contrast, validity is a synonym for truth. With qualitative research however, the concept of validity is not that simple. The question is how one can convince the readers that the findings are not made based only on a couple of examples. In qualitative research, it is thus crucial that in terms of reliability and validity, the research method chosen is the most suitable one, the collected data is rich and the documentation of the data is made properly, preferably by written transcript. (Silverman 2010, 275-287.)

To measure the reliability and validity of this research, the author considered the required areas. The hotels that took part in this study were chosen with careful consideration but due to the sensitive nature of the topic, they cannot be described in detail. It can be revealed however that the hotels represent different sized hotel units and interviews were made evenly on three departments of Reception, Food & Beverage and Kitchen. A large qualitative sample enabled reliable research results. In addition, the interview structure was designed carefully following the theory of transformational leadership theory.

Age groups and gender structure were also taken into consideration and were aimed to correspond the real employee structure at Scandic Hotels. The below table 5 illustrates the demographic structure of the interviewees and as a comparison the demographic structure of all employees at Scandic as per Scandic's Annual Report 2016.

Table 5 – Demographics (Scandic 2017a)

Demographics	Interviewees (12)	Scandic employee level 2016
Female	50% (6)	64%
Male	50% (6)	36%
Under 30	41% (5)	47%
30-50	33% (4)	42%
Over 50	25% (3)	11%

All the interviews were recorded and a transcript was written. The data in the results chapter consists of direct quotations from interviewees to bring out the richness that the data has. Some of the quotations have been modified to simplify the reading experience or modified that any individuals cannot be recognised but keeping the quotations still as original as possible.

5.6 Limitations and delimitations

Limitations are weaknesses in a study (Altinay et al. 2016, 312). In this research, one of the weaknesses was the timing of the research. Since the basis of this study was the secondary data from the employee survey Voice 2016, which results came out at the end of the year 2016, it can be said that this research could have been conducted earlier in the year 2017. This may have helped to understand the situation in a more current point of view. Alternatively, the research could have been conducted with Voice 2017 results, which would have then meant that the timing of the author's graduation would have postponed until 2018. The new leadership model could also be considered as one of the limitations, since the model was published after Voice 2016, which means that it potentially may have had an effect on the motivation levels by the time this study was conducted. In other words, as a result of the new leadership model, Voice 2016 results may no longer have been corresponding to the current situation, since the results of Voice 2016 were based on the previous leadership philosophy. The impact of the limitations has been minimised with careful selection of departments for interviews in co-operation with the HR-Manager.

Delimitations, the weaknesses that the author decided to have included the research method chosen. Qualitative research did not let the author to generalise results in a same way, as quantitative research would have. As another delimitation it was decided to interview only one person per department in order to get as many different views from different departments as possible. Interviewing more people from same departments could have helped to dig deeper into the issues and in that case the data may have been richer in departmental level. In other words, interviewing only one person per department did not let the author to generalise in departmental level but more as an individual level.

Furthermore, due to interviewing individuals not based on their personal motivation score, the interviewees cannot be said to represent their department's Voice 2016 score on motivation. In other words, as was expected, it turned out that some interviewees described themselves highly motivated despite working in a department holding a lower motivation score and vice versa.

6 Results

In this chapter, the results are presented. The main topics discussed in the interviews have been re-organised into sub-chapters. These topics align with the dimensions of transformational leadership theory as shown in the table 6 below. This part of the results include quotations from interviewees that help to understand whether the interviewees describe their leader to demonstrate transformational leadership qualities and the importance of those qualities to their motivation. After going through these topics the results of motivation are presented in more detail, again with quotations from interviewees. In the beginning of the interview, the interviewees were asked to consider their departmental leader as their “main leader”. The quotations have been translated from Finnish to English.

Table 6 – Interview topics

Interview topic	Dimension
Demonstration of vision, mission and values	Idealised influence
Leading by example	Idealised influence
Future of the organisation	Inspirational motivation
Trust	Idealised Influence Inspirational motivation
Empowerment	Intellectual stimulation Individualised consideration
Team spirit	Inspirational motivation
Learning and development	Inspirational motivation Intellectual stimulation
Individual needs and personal attention	Individualised consideration
Future prospects of team members	Individualised consideration
Rewarding	Contingent reward

Each sub-chapter starts with a sentence in a cursive-font to give an understanding about the connection of the interview topic and transformational leadership. These sentences have been generated with the help of the theory from the chapter 4.2. At the end of each sub-chapter, a figure is presented that shows the key findings of the presence of transformational leadership qualities as described by interviewees.

6.1 Demonstration of vision, mission and values

Transformational leaders are to demonstrate the direction of the company with enthusiasm.

Most of the interviewees described that their leader shows demonstration and commitment of company vision and mission in some ways, while some interviewees had some difficulties to describe how vision and mission are present. Interviewees said for instance the following:

Reception (R1)

"He could demonstrate them even more! More discussion about the leadership compass too. In daily work, he could say more concretely, "this is not world class" or "does this look how it is supposed to?""

Reception (R3)

"At least the leader contributes to the thinking of vision and mission. She often says to us that we are "world class" and we try to demonstrate it to our guests too when they stay with us. She reminds us of them, which is good"

Food & Beverage (F1)

"In my opinion, the leader is very committed to them and brings them up in many situations. I think he is very enthusiastic and also inspirational person"

Food and Beverage (F2)

"I do not know how to explain. Well, he speaks about them probably every day. He updates Scandic's team members' Facebook page too."

Kitchen (K1)

"It is always very clear what are we doing and which direction we are heading"

Demonstration of values appeared to be somehow easier for the interviewees to describe than the vision and mission. Most interviewees were able to describe how the leader demonstrates working according to the values. Interviewees mentioned all four values are somehow present, yet be bold value was described to be present the most. The Interviewees described for instance:

Reception (R1)

"In my opinion, he demonstrates them very clearly. He especially encourages the value be bold. He tells everyone to be bold and that we should come up with something new and different. This is present very strongly. Of course also that you can be yourself. Be a Pro value is present too."

Reception (R2)

"I think we all at reception demonstrate the values very well. We are all different people and different personalities, but all of us are good at all values. Our leader encourages this. You can be yourself. This is the most important. Be caring and be bold are values that the leader focuses on the most"

Reception (R3)

"Every day we have some bold actions. We have many same guests coming so we must come up with something new for them always. Our leader focuses on be caring value the most. I think it is the most important value, because guests come here because we care about them. Be a pro is also important, so that we are professional."

Food & Beverage (F3)

"Probably be bold value is brought up the most. So that you learn to be brave. Also to be yourself. So be you is also present"

The discussion about values was made mostly with positive feelings except with two interviewees who described working according to values having some drawbacks. Both of the interviewees work at departments that had experienced lower levels of motivation according to Voice Survey 2016. Quoting the interviewees:

Food & Beverage (F2)

"The bold actions that we demonstrate here have started to look like a competition. Who is the best and where? In the beginning, it was nice but now it is going a bit too far. Now it is not about surprising the guest but it feels like a competition between hotels. I have spoken about this with some of my colleagues and they agree."

Kitchen (K2)

"Well let's say that he is demonstrating values very well and this is starting to be the current problem. We are given an understanding that you must trust"

your employees. However, if it turns out they are not worth the trust, how can you demonstrate trust with this person? Our values lead to a situation that in a perfect world, our values work very well and empowers employees, but you cannot really fix any problem situations with them very easily, especially if they are not ready for the change themselves. My leader however demonstrates values very well.”

In addition, interviewees were asked whether they feel they know what is expected from them. All interviewees said it is very clear.

The below figure 5 shows the main findings about demonstration of vision, mission and values.

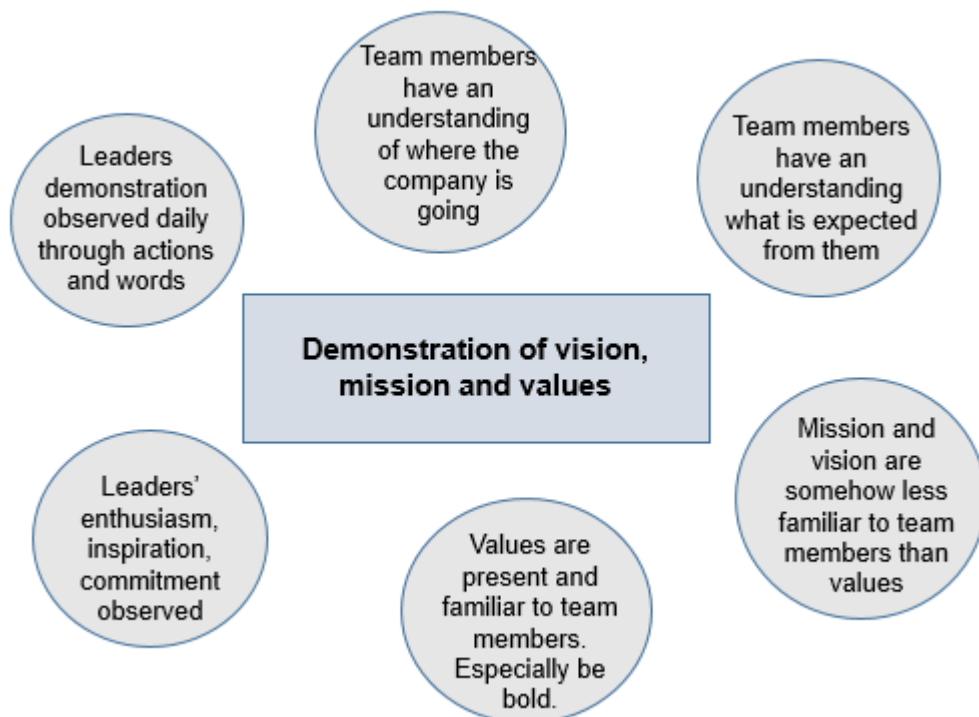


Figure 5 – Demonstration of vision, mission and values

6.2 Leading by example

Transformational leaders are an inspiration to followers.

In order to find out whether interviewees experience their leader as such, they were asked whether they have a role model at work. Three described that their role model is their leader without doubt. One interviewee described his leader to be the role model if he must choose one. Two described strongly that their leader is not their role model. Others had not thought about it or described someone else than their leader to be their role model.

The interviews revealed that even if the leader is not seen as the role model, most of the interviewees had someone in the company that they admire professionally.

The interviews indicated that there may be some connection between leader's inspiration and work motivation. Two interviewees, who described themselves as highly motivated in their work, and who work in departments experiencing high levels of motivation as of Voice results in 2016, described their leaders as their role model like this:

Reception (R2)

"My leader has always been my role model since I came here years ago. I like her work attitude, she is extremely hardworking, in a way that I would like to be. It has been nice to follow her growing professionally in the company, also now that I got further."

Food & Beverage (F3)

"For sure my leader. She does everything and I have learnt so much from her. She has taught me and she also wants to teach me."

As mentioned, several interviewees described another work colleague as their role model. Quoting two interviewees:

Reception (R4)

"I don't know if I have one role model here... I admire some colleagues for being so hardworking, then again for customer service and professionalism I admire another colleague. I see these qualities in many people... even if I do not have one super star here."

Kitchen (K4)

*"Probably *the hotel manager's name*. He is like a steam engine and an energy bomb. I have a lot to learn from him about positivity and for how much time he spends here at work. Even if I now picked my role model from another department, it doesn't mean that there is something wrong in my department. It is just that we have worked together for such a long time with the hotel manager. With my own leader we have a shorter work history."*

The below figure 6 presents the qualities that interviewees described to admire in their role model, whether being their leader or colleague.

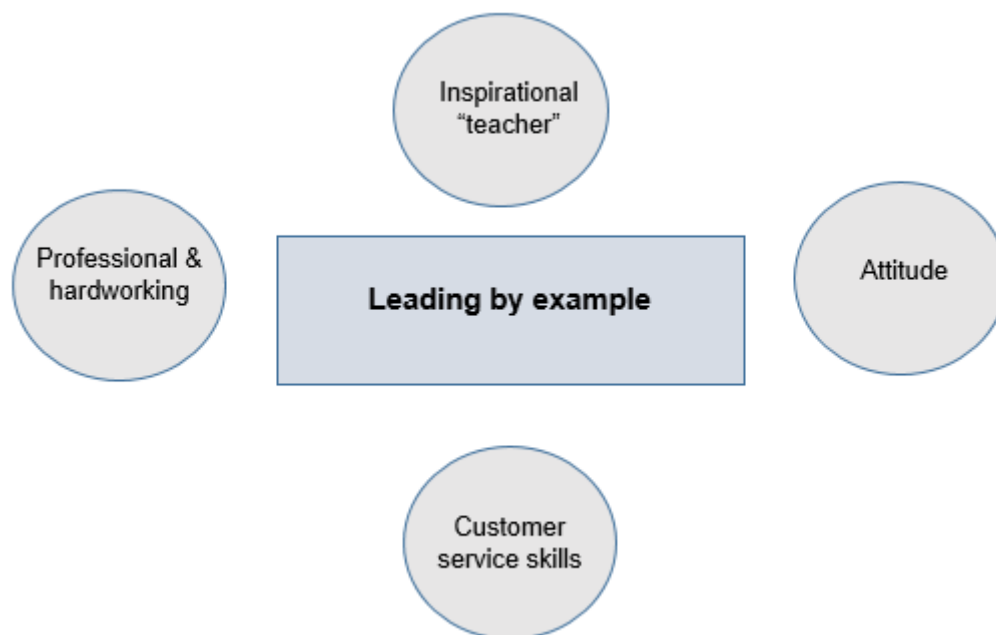


Figure 6 - Leading by example

6.3 Trust

Transformational leaders trust employees to achieve targets.

Most of the interviewees described that their leader demonstrates trust by giving responsibility and encouraging for independent solutions. Interviewees said for instance:

Reception (R4)

“Leader gives responsibility to us and trusts our ability to think. When I need to make a decision, it may feel silly to ask my leader whether it is ok. He replies:” Of course it will be ok, if you think it will be ok.”

Kitchen (K1)

”He challenges us quite well. Everyone needs to plan for the next day. Not everything is ready for us. Our leader does not tell us to do this and this. You are allowed to use your own brain. He expects that everyone thinks themselves and not work according to pieces of papers. We go outside the box. Our leader trusts us and he also does what he promises.”

Kitchen (K4)

“He trusts in our ability to carry out work. He sets boundaries but still gives the freedom to work. This is a sign of trust especially in kitchen work. Trusting that the experts in the field can make it happen.”

The below figure 7 presents how leaders demonstrate trust towards them.

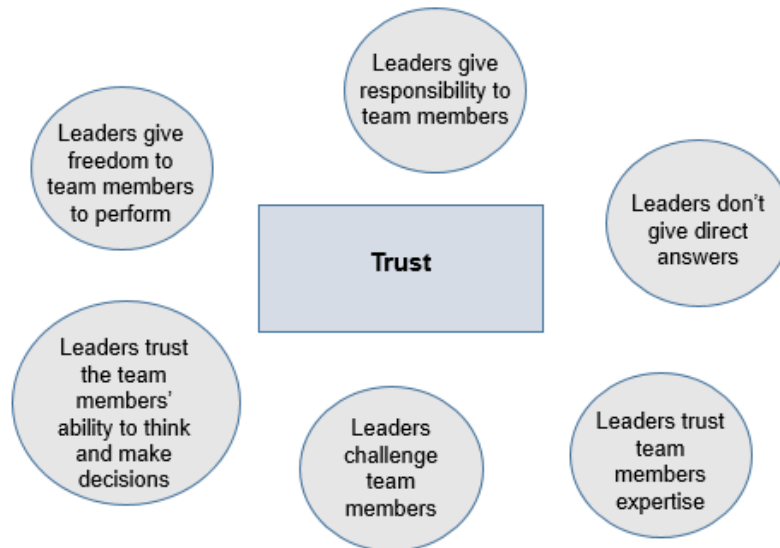


Figure 7 - Trust

6.4 Future of the organisation

Transformational leaders create an appealing vision for the future.

In order to find out feelings of the future of the company, the interviewees were asked how they see the future of Scandic. All interviewees described the future of Scandic being discussed in their department in a positive manner, which indicates that the employees believe in the brand and in the future of Scandic. Especially the recent Restel Hotels sale is being discussed with high interest. Several interviewees however said that they do not talk about Scandic's future very much, since they are mostly interested what happens in the near future and what happens in the hotel they work at. Interviewees said for instance:

Reception (R2)

“The future is discussed here and there. We always talk about the next year and mainly about the near future. We take each week and month as they come. We always receive information if something bigger is coming up. Scandic's future is not discussed that much in overall in our department but we have talked about the Restel sale. It is nice that the chain is growing. It will be exciting to see if this sale is really going through now and how they

are going to rebrand Cumulus hotels so that they are according to Scandic's values and how they will involve all Cumulus employees. These kind of questions are arising. Positive feelings."

Food & Beverage (F3)

"We talk about the future with confidence. We have talked about the recent Cumulus sale in a positive manner here. I am proud of the Scandic brand and that I work here! This is a good place to work, strong brand"

Kitchen (K3)

"We are looking forward to the possible Restel sale and everything that it brings! We have been discussing what it involves."

Kitchen (K4)

"This world-class thing at the moment is very interesting in my opinion. We are waiting what is the final result. It would be great if Scandic expanded outside the Northern Europe too."

The below figure 8 shows how the future is being discussed in interviewees' departments.

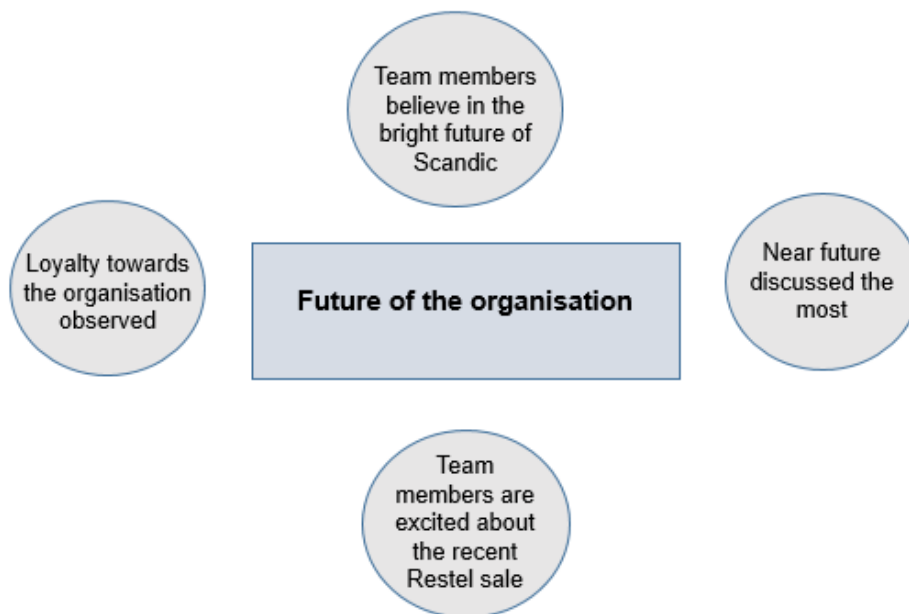


Figure 8 – Future of the organisation

6.5 Empowerment

Transformational leaders empower employees to go to new heights.

The interviewees were asked whether they are encouraged to be innovative and creative with problem solving and how they are made to believe in their abilities. These questions turned out to connect closely together with the question about trust. Interviewees described that with trust, leaders empower them for independent decision-making. All 12 interviewees strongly agreed that they are empowered to make decisions on their own and find solutions to problems using their own initiative. They are encouraged to be innovative and creative. Interviewees described for instance:

Reception (R1)

“Yes, absolutely. We have all been given very free hands at reception. For example, if there is a problem, we can of course compensate in the best way we see. It is very clear, it is the most important that the guest is happy when walking out of the hotel, it does not matter how the numbers look like then. We have been given all the freedom. Everyone knows how to compensate. With experience you gain of course more self-confidence to make decisions. Often when you ask help, you are told “You can do it!” and “believe in yourself”. It is good that we have this empowerment here.”

Reception (R4)

“Yes! I can make independent decisions. I actually have to do those. I am encouraged to do them. I can be creative. It is very good that you are allowed to be creative in problem solving. If leaders are not here for example at weekends, then you must be able solve the problems immediately. Of course we have some kind of instructions but our leader encourages that you can solve problems how you see is the best way to do it and how you want to do it. I am given responsibility. I think this is some kind of a sign that someone there trusts me.”

Food & Beverage (F4)

“Absolutely. It is one of the best things about the company. We are very much encouraged to make our own decisions and sort out problems. Drinks, vouchers, bottle of sparkling wine in the room etc.. We are very much encouraged to make those decisions, which is really nice. When there is a problem with customer or guest, you do not feel that you need to check. You can just do it and sort out the problem right there and then. The customer wants to have the problem sorted out immediately so this freedom definitely

is a good motivation. It is very much part of *leaders' names* vision to encourage people to be free to have their own initiative and not to have these dead strict rules about how service should be. We feel very free.”

Kitchen (K2)

“Yes. Practically we are encouraged to do this in many different ways. Mainly by talking and accepting the solutions that you have made, especially if you did well. You are not punished if you have done wrong, especially if it has not been anything major. In practice, it is about being innovative and problem solving. We have had traditionally very free hands here. The new values and trust have been demonstrated well and are actually nothing new in our department. This is one of the reasons why I am still here! If I don't have any decision power it would naturally make working... well in that case all the problems we face would feel too much to cope.”

Kitchen (K3)

“Yes you are allowed to be creative. Sometimes for example if we have more customers suddenly coming and there is not enough of specific ingredients, then you have to be quite creative to bring food to the table. It is important in motivation perspective.”

The below figure 9 shows how leaders demonstrate empowerment.

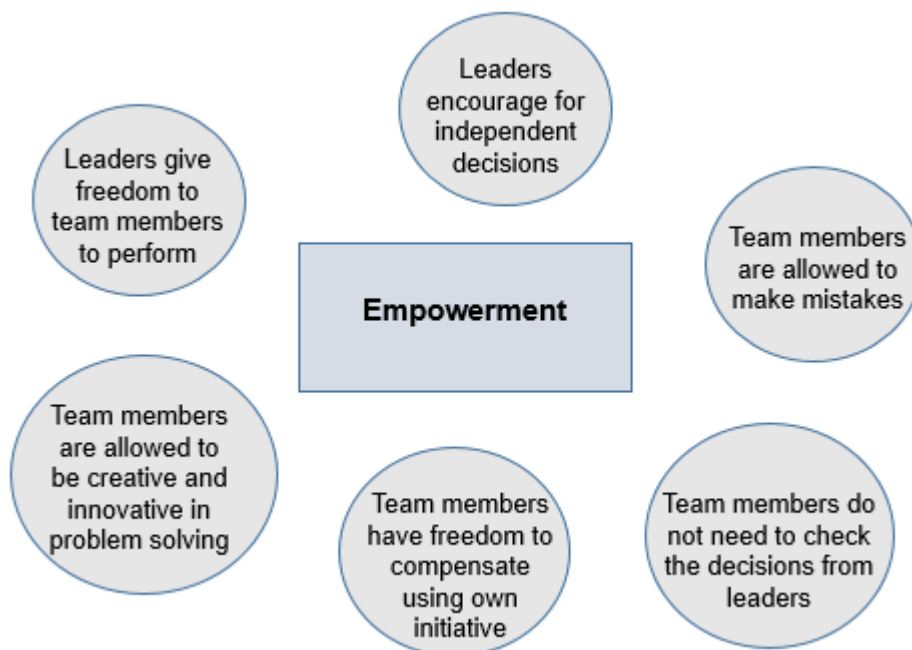


Figure 9 - Empowerment

6.6 Team spirit

Transformational leaders create a positive team spirit.

Interviewees were asked to describe the team spirit in their department. In general, the answers were quite positive. Two interviewees described the team spirit in their department somehow more negatively. Interviewees for instance said:

Reception (R2)

“Our team is a dream team. There are so many things that come to my mind but dream team is the best one to describe it. We are all colleagues but also friends. We are all interested in each other’s work tasks and personal lives. We support each other so well and I think our team is the best.”

Reception (R3)

“Team spirit is very good, we can trust each other. Everyone performs work to the best of one’s abilities and even more!”

Food & Beverage (F3)

“Our team spirit is good, very good! It is nice to come to work and in free time we spend time with each other too. It feels so good to be here.”

Food & Beverage (F4)

*“Fun. We are a diverse bunch of people. We have people from lots of different countries. We have many different nationalities here. It really helps. When it is not too busy it is fun, when it is busy and customers are suffering that is when it becomes frustrating and stressful. But we make each other laugh and the integration between the three teams, F&B, Front Desk and kitchen... We all interact. This was also one of the big things that *leader’s name* wanted to do when she came here. To have more interaction with the front desk and restaurant staff. I do not know, but before maybe it was more divide but now we are very much a team together. It is really important!”*

Kitchen (K1)

“I think team spirit is good, at least we all try to work together. Of course sometimes there are disagreement but that is just normal. Sometimes we debate a little. But the team spirit is not bad either. We have a good group!”

Kitchen (K2)

"Well... It is a bit difficult to say. If you compare to normal working life, I guess it is quiet okay. We have some fiery moments here sometimes and the interaction may not always be that positive but we do not have a war zone here either. We could do many things better but it goes down to the resources. If we had more resources then the employees would be happier too. It all goes down to work tools and amount of staff on duty."

Kitchen (K4)

"It is very good, we are here together and we are one team. We are all similar people. We are open people ready to take in new information."

Interviewees were also asked how the team spirit is being developed. Several people described recreational activities being organised outside of working time. Interviewees described:

Food & Beverage (F1)

"We have recreational activities together with the whole building sometimes, often in the spring and then we have a Christmas party. We have had cruises to Tallinn etc. It is also very much encouraged to organise your own gatherings too. We do meet each other outside work."

Food & Beverage (F4)

"We have the people who are always trying to organise things, trips to the hockey etc. It helps to create a good team and then you are motivated to work for your colleagues. When you are friends with your colleagues, it is about not letting your friends down too. It is a big motivating factor. You don't want to let people down"

Interviewees were asked in addition whether their opinions are accepted even if they differ from opinions of colleagues or leaders. 11 out of 12 interviewees said they feel they are accepted even if their opinions differ from others'. Interviewees described for instance:

Reception (R4)

"Yes. We can talk about everything. The atmosphere is quite open"

Food & Beverage (F4)

"We don't feel intimidated about the management. We can be open and disagree and experiment to see who is right."

Kitchen (K2)

"Yes, I am pretty sure people accept my opinions. In the recent meeting, my opinions represented very different view from the main stream!"

The below figure 10 presents how team members described the team spirit in their department.

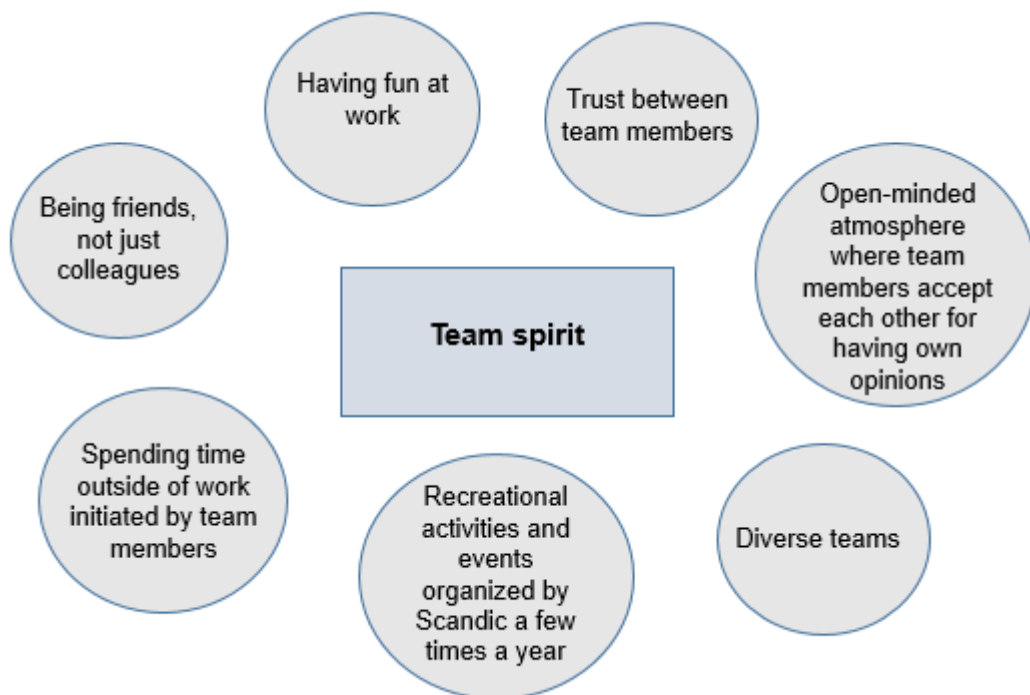


Figure 10 - Team spirit

6.7 Learning and development

Transformational leaders promote learning and development.

Interviewees were asked whether learning new and developing is encouraged in their department. Several interviewees agreed with high enthusiasm while three interviewees disagreed. The interviewees who disagreed were all over 40 years old. Interviewees for instance said:

Reception (R1)

“Yes! We have been going through this with Voice survey discussions too because before our scores used to be low in learning and development. People used to feel that they are not learning anything new and they are not developing further. We have then discussed the learning opportunities here, which include opportunities such as SPS, meetings & fire safety training. We have been told that if you really want to learn, you just need to ask. The leader may not have time to ask each team member whether someone wants to go to a training, so you must take your own initiative to ask. Of course we go through these things in development discussions too.”

Reception (R3)

“Yes! It is always really nice when we have something new, we are trained for it and we have workshops. Through those we learn.”

Reception (R4)

“Yes! When I want to learn something, the opportunity is always given to me. My leaders are excited about it and they think it is great if you want to learn new. Sometimes I just say to my leaders that I want to see how some things work and they say to me that of course they will show.”

Food & Beverage (F1)

“Every day some new situation comes up and I learn from them. Scandic makes sure we learn new. Scandic is indeed a very innovative company and they develop something new all the time. This year Scandic introduced a new meeting concept, so you also have to learn! But I enjoy it”

Food & Beverage (F2)

“I feel that there is somehow no encouragement to learn new. It would increase my motivation if I could learn something new. I would like some training such as language or technical training. I would like that I knew how all equipment is working in this building. I have asked for this for years but it has not happened. I am quite persistent and I do not give up easily, sometimes it takes couple of years that things start to happen but with this, it has been longer. Since I have been in the company, I have wished for this type of training.”

Food & Beverage (F3)

“Yes, learning new and developing yourself is encouraged here. My colleague just got into a training program. Scandic organises this. She got there and myself... I started studying recently. The F&B leader encouraged me to apply. So yes, we are encouraged here!”

Kitchen (K4)

“Yes, absolutely they encourage learning and development. Even in daily conversations, we are reading articles and we share information to each other. We discuss about how other restaurants are doing and food events around the world. We are all interested. We read magazines and online articles”

The below figure 11 shows how learning and development were described by interviewees.

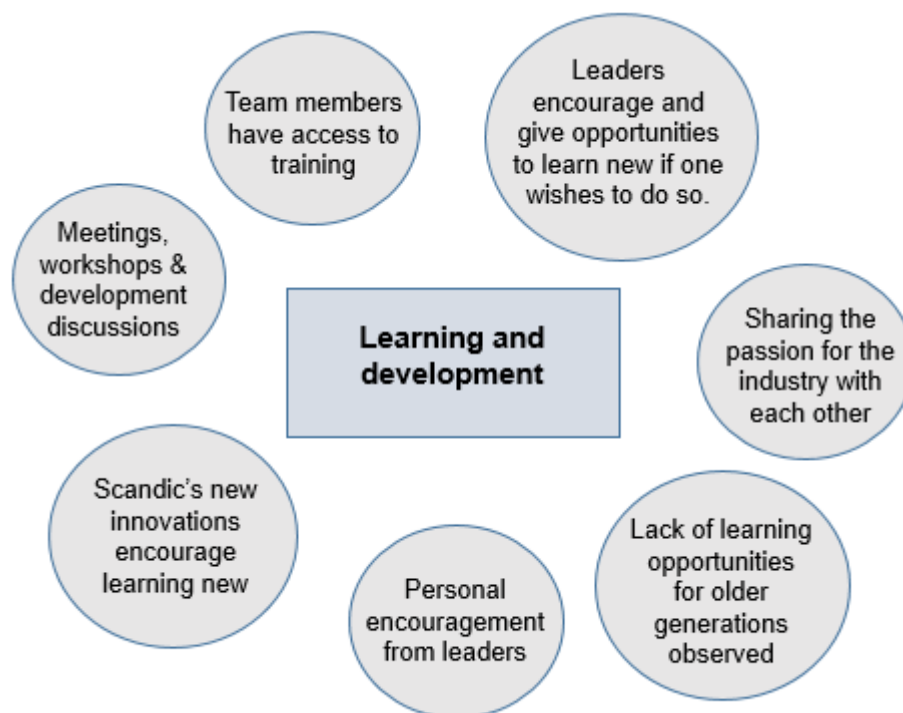


Figure 11 - Learning and development

6.8 Future prospects of team members

Transformational leaders make employees feel important part of the organisation.

In order to find out the feelings the interviewees have of the future of their own work, they were asked to describe the future prospects. Five out of 12 interviewees feel that they

have limited opportunities to grow within the organisation if they wish to do so, the rest said they feel they would have opportunities. Interviewees said for instance:

Reception (R1)

“Very good expectations of the future. I wish that I can stay in the company and I hope that I get further. I have no rush to go somewhere else. I feel that Scandic is a good workplace and employer. Scandic has a lot to offer and I also feel that I have a lot to offer.”

Reception (R2)

“I would like to stay at Scandic as long as possible. I am very much Scandic-person (scandiclainen). Of course, I want to get further at some point. I would also like to try something different. I have always been at reception and restaurant. It would be nice to try the sales for example. I would like to be a hotel or general manager too! I do want to get further and stay inside Scandic.”

Reception (R3)

“Actually in our hotel there is no opportunity to grow. We do not have shift leaders here, which makes it challenging to get further because we have only a few people here and the staff turnover is quite low. This does not at this point yet affect my motivation, however it would be great if there were opportunities. Of course with the possible Cumulus sale, we will see what happens.”

Food & Beverage (F1)

“I would say I have very good expectations of the future. I am very trusting. Before when my friends asked me: “Where do you work?” I used to say “I still work at Scandic”. Now I have learnt to say that I still get to stay at Scandic! I have only had to go through one co-determination negotiations and nothing else. I am very trusting about the future too. In the development discussions, we are always asked where we see ourselves in 5 years’ time. Scandic has a very wide training portal. If you wish to develop yourself and go forward, I believe that there are opportunities. I perhaps do not have the need or desire for this.”

Kitchen (K3)

“Why not to stay in the company, let’s say that the location of my work is very good, I live 100 metres away. There are no opportunities to grow and I do not

want those either. If you ask a 20-year-old person and 50 year-old person the same question, the answer will be different. 50-year-old may not be willing to get further with career anymore.”

The below figure 12 presents how interviewees described their own future prospects in the company.

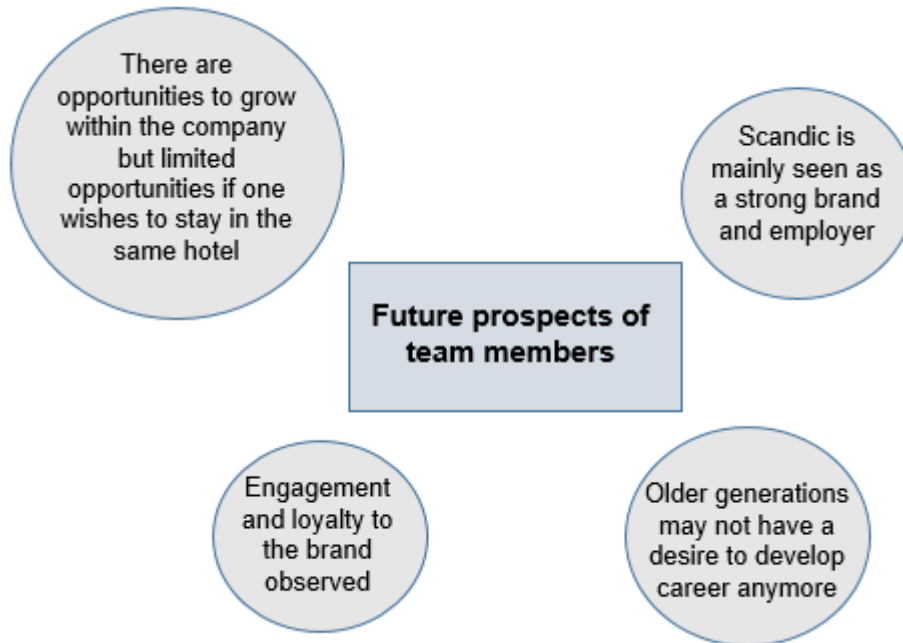


Figure 12 - Future prospects of team members

6.9 Individual needs and personal attention

Transformational leaders build meaningful relationships with followers.

Interviewees were asked how their leaders take their individual needs into consideration. Most interviewees said they are taken into consideration well. Some had some difficulties to describe it. Interviewees described for instance:

Reception (R2)

“She has been good at it. If I have any questions or I am worried about something, I can go to her room and she always warmly welcomes me in. She gives advice and encouragement. She has been good at that! She also comes to the reception every day and asks if everything is ok. She is very close to me and everything has been easy with her.”

Reception (R4)

*"I am not sure what is meant by this... Are you talking about breaks? *laughs* in that case not really... Shifts are very well organised but shift leader is responsible of them anyway. My mental well-being is taken care of by *general manager's name *. My departmental leader demonstrates more the value be a pro and caring perhaps is not his strength, but I do not want to personify this to anyone. My needs are taken care of. I have a good relationship with my leader. I can talk openly to him about anything. I trust him and he trusts me. I get help from him always, but my personal issues I deal with others."*

Food & Beverage (F4)

*"Very much, when there are schedules being made, we are asked if there are any requests. There really is never a problem. On a personal level, she is interested how you are doing. Once *leader's name* offered me a lift. These little things mean a huge amount. She is always available. You never feel guilty about calling her."*

Kitchen (K1)

"Very well. If I need days off or something else, it is not a problem. If I have some worries I can always open up about my feelings."

Kitchen (K3)

"I can organise my holidays with her and also if I have somewhere to go!"

The below figure 13 shows how individual needs are taken into consideration by leaders.

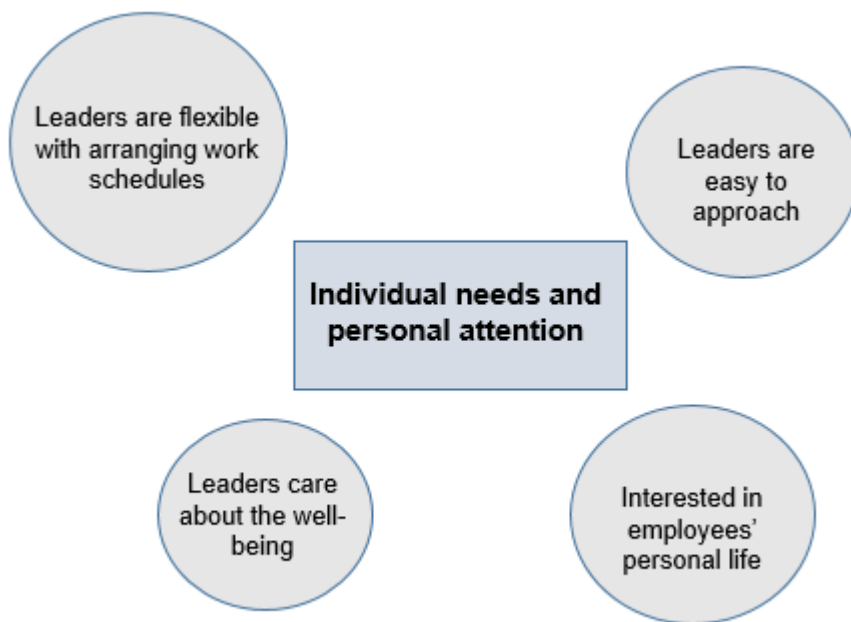


Figure 13 - Individual needs and personal attention

6.10 Rewarding

Transactional leaders give rewards to employees to motivate them to achieve targets.

Interviewees were asked to describe if they are happy with the current rewarding methods and whether rewarding is implemented fairly. Most interviewees described that the salary could be better but they mostly blamed it on the industry instead of the company. Several interviewees were a bit unsure about the rewarding methods and said that they feel there is really not that much rewarding in the company. Interviewees described for instance:

Reception (R1)

“Yes. It is still fairly new. It would be good if leaders would go through the new rewarding methods again. Before it used to be very clear. I would need to read it again to be able to answer this question. Now I only remember some parts, therefore I cannot say yet if it is implemented fairly.”

Food & Beverage (F1)

“Nobody is probably never going to be happy. I would say there is room for improvement. This is a typical low-paid industry anyway. The pay is not good. Rewarding could be improved. Actually rewarding was taken into use only 4-5 years ago in my department, there is room for improvement. It is fairly implemented because it is done based on result.”

Food & Beverage (F2)

*“Which rewarding? *laughs*... Well okay, I have also received some little rewards, you could get those more too. But I don't know if it is fairly implemented because I do not know who has received them. At least before it used to feel unfair but that was a while ago already. Now things have changed.”*

Food & Beverage (F4)

*”*name of the leader* is very good at saying thank you, you feel appreciated by her. Salaries... It appears to be very difficult to get a pay rise. I think it is more the company than the industry. I did not know what to expect when I came here and I little bit feel that they got me here quite cheap comparing to the experience I have. Of course, every company wants to keep its wage bills down. Of course, in Finland you get a double pay etc. so the pay in the end is pretty good but I feel that the salary was a little bit low to begin with. My colleague has gotten one pay rise in X years, which seems a bit low. I think there are also people who are more than happy with their salaries. It is nice to get a thank you but sometimes when you feel that you have worked really hard for years and contributed to the success of the business, then you would like that extra 50 cents...when you think about the profits being made... it can be a bit frustrating.”*

Kitchen (K1)

“I am satisfied but of course you could get more money. Scandic organises bigger events and recreational activities, which also reward. It is fairly implemented.”

Kitchen (K4)

“Yes I am satisfied. Of course it is a little that kitchen stays in the background because we are not directly dealing with the guests. It is really nice that we have all different rewarding methods. The tips have been equally divided since the F&B leader came here, she decided that it is ridiculous that kitchen gets only one part of the tips, now it is all fair. Well it has always been a little that this industry is low-paid...”

The below figure 14 shows how rewarding is experienced by interviewees.

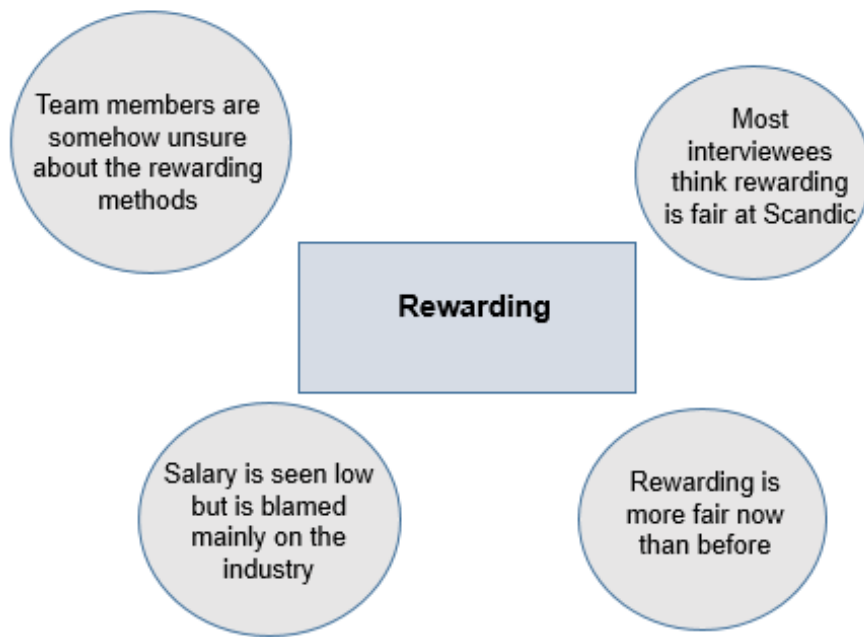


Figure 14 - Rewarding

6.11 Motivation

This chapter introduces the results of motivation with more details. The main topics that were brought up by the interviewees have been organised into sub-chapters as shown in the below table 7.

Table 7 – Motivation factors

Motivation factor
Intrinsic motivation
Work environment
Team spirit
Rewarding and recognition

In the beginning of the interview, all interviewees were asked to describe the motivation levels of themselves and their teams. The majority of the interviewees described both motivation levels good or very good. Four interviewees described already at this point that the motivation could be better. As the discussion was going on, some issues were revealed from others too. Naturally, some interviewees were more willing to open up than others.

At the end of the interview, the discussion moved back to motivation. Interviewees were asked how they are personally motivated, what are the secrets behind their team's high

scores in motivation or alternatively what kind of problems with motivation the team has had. At the very end, the interviewees were asked to describe the importance of leadership when it comes to work motivation. A summary of each interviewee's personal motivators are presented in the table 9 in the discussion chapter 7.

6.11.1 Intrinsic motivation

Most interviewees described that intrinsic motivation factors drive them the most. These factors include the pleasure one gets from doing good and doing what he/she likes, the pleasure one gets from happy guests and customers as well as the pleasure one gets from challenges and achievements. The interviewees described:

Reception (R2)

"I like to be with people. If I have had a nice guest and everything has gone well with the guest and we have laughed together, it motivates me. If I have learnt something new it also motivates me"

Food & Beverage (F1)

"I get motivated when I do something well. I in fact get motivated every day at work. If I think "Oh you did that well..." I also get motivated about customers. I often think after a phone call with a customer "Wow this was a nice person". They are very little things for me. I also think it is a personal choice. Work has to be enjoyable. Achievements, good sales and happy customers motivate me."

Food & Beverage (F4)

"Happy customer and happy guest. That is what we are all about! If you are being mentioned in customer feedback personally, is a huge motivating factor and makes you feel great. Happy guest at the end of the dinner or happy guest at the end of their stay that is motivation. For people to like the hotel and to have a nice stay."

Kitchen (K2)

"It does go down to challenges and problem solving. It is also a personal pride, when you know you do good and well. I would like to believe there is the law of karma involved in a way. It does need to start from motivation inside you. You have to have a passion for what you do."

The below figure 15 presents intrinsic motivation factors.



Figure 15 - Intrinsic motivation

6.11.2 Work environment

The interviews revealed that problems with work environment can strongly demotivate employees. Problems with work environment include work tools and amount of staff available. All below descriptions are from interviewees working in five different lower motivation departments as of Voice 2016 results:

Reception (R4)

“The level of motivation in our team could be increased if the work environment was organised so that all equipment is working and that we have enough people on duty. It motivates me when all the devices work. But we have so many different devices here so it never happens. For example the Scandic network, if it does not work, it is the worst. I know that people are annoyed if it does not work. I of course understand that we have so much technology here that something is always not working but in a perfect world they would all work. I think work motivation could strongly increase if they did work.”

Food & Beverage (F2)

“If I say directly, I feel the leader has too much focus on money. It feels that our department always has to be the best, or the second best. Then it leads

to a situation, when we do not have enough work tools. For example, coffee mugs or water cans. You have to beg for those. I understand that there is not always that much money but the situation has been better in the past. I do not understand what has changed, why can we not order enough of them now? It really eats up the work motivation when you need to talk about coffee mugs. The problem appears to be that the margins need to look so good.”

Food & Beverage (F4)

”Everything starts from the staff. We need more staff. It is hard to be motivated when you are exhausted. The hotel is being busy and full. It has been very very busy. We are all feeling a bit tired. They are actively seeking people but it is hard to find the good quality staff for the right price. Sometimes we feel it is all about money...”

Kitchen (K2)

”The second most important motivation factor is work environment, meaning that all work tools are working and you have the resources to do what is required from you. Resources here have been tightened up for years and now the situation appears that the work tools are in a condition where either employees are exhausted or the quality of work suffers. When this happens, the passion that used to be there in the first place starts to go down. For those whose motivation was not in place anyway, the lack of resources do not really affect since they were passive from the beginning.”

Kitchen (K4)

”Right now our motivation is very high. Everyone has positive expectations of the future. Since re-opening 1.5 years ago, the situation has been continuously improving. Work environment is beginning to be in place so that we know what we are capable of doing. We were very much looking forward to the renovation. It really cheered people up. New beginnings now. Before the renovations, people had all kinds of feelings and it felt that this is a never ending story, but now everything is well!”

The below figure 16 demonstrates the negative effect insufficient work environment has on motivation.

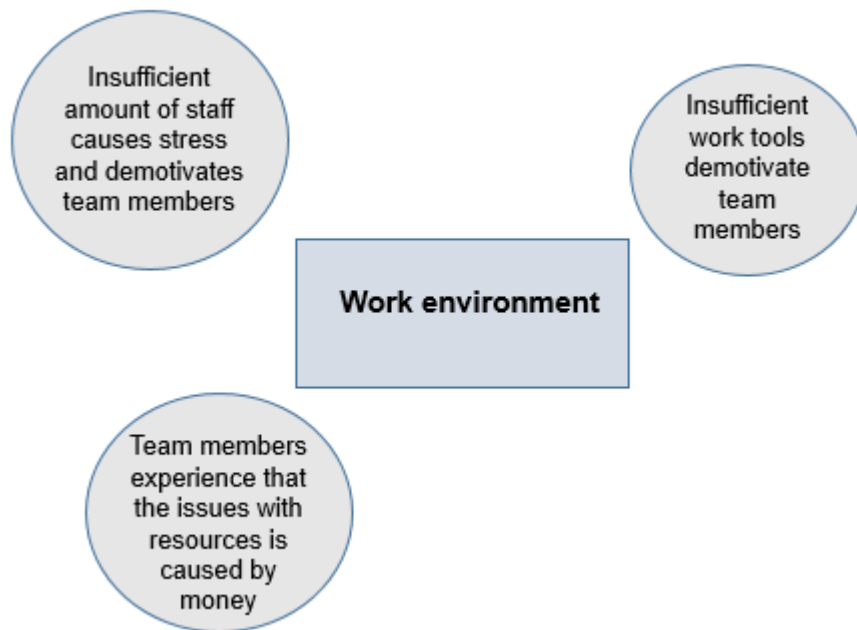


Figure 16 - Work environment

6.11.3 Team spirit

Interviewees described that the team is one of the most important factors for work motivation. Interviewees described for instance:

Reception (R2)

"We have fun at work. This is number one reason why our team is motivated. Even if we have a busy day at work, we always try to create a good vibe at reception. We avoid having the attitude of "Oh no it is busy, so much stress and sweat!" This kind of attitude spreads if one person is like this. We all try to be positive. We support each other. If someone makes a mistake, we do not blame. We just say that we are all humans and everyone makes mistakes sometimes. It brings us closer!"

Reception (R4)

"Our team spirit is already quite good but I guess it could be even better. We are the ship in the storm. We are all in the same ship. So we are supposed to have fun aren't we? Good team spirit motivates"

Food & Beverage (F2)

"I personally get motivated the best when I have colleagues who know what they are doing and so that your colleagues are also motivated. It is frustrating

when you do work well yourself and to the best of your abilities but then you notice that there is a colleague who does the minimum.”

Kitchen (K1)

”I think it is the good team spirit that makes us motivated. When you have a good team spirit, it really motivates to work. When someone sometimes is lazing around, others kick this person’s backside a little bit and then we start rolling again!”

Kitchen (K2)

”The problem is not my own work motivation, but our team appears to have some issues with work motivation, which then affects the whole team’s dynamics and then yourself.”

Kitchen (K4)

”We are all hungry in our profession. We are all interested in cooking. We do not have any people here who are here just to work.”

The below figure 17 presents the effect team spirit has on motivation.

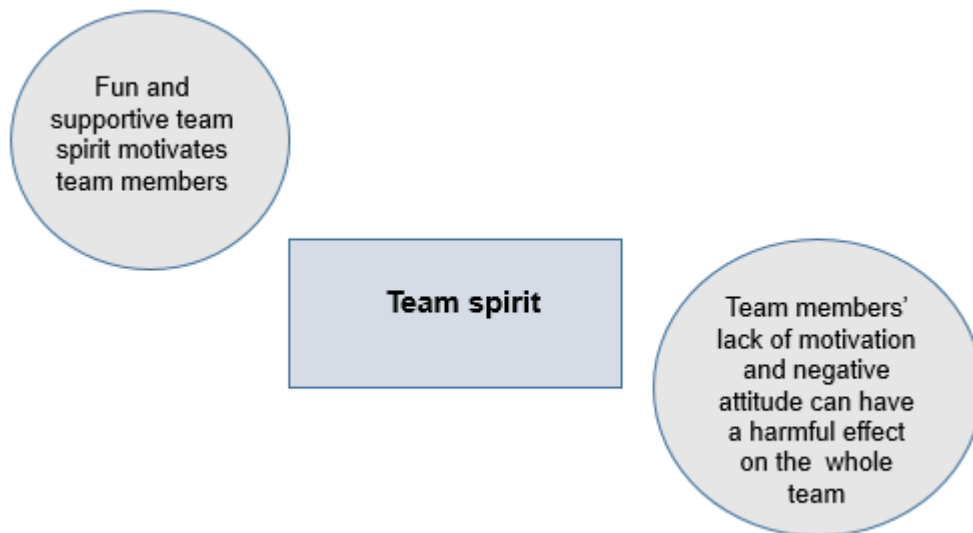


Figure 17 - Team spirit

6.11.4 Rewarding and recognition

Most of the interviewees agreed when they were asked whether rewarding motivates. Rewarding can be considered as monetary rewarding, salary or other forms of material and

staff benefits but also verbal recognition, such as feedback or titles. The data suggests that rewarding and recognition are some of the biggest motivators, but for many not the biggest. Several different opinions were expressed by interviewees:

Reception (R1)

“Of course rewarding motivates. I am not sure how much it affects my own work however. A little bit of cheering up is always very welcome and of course you are happy when you or your colleagues achieve something or if you achieve something as a team. Of course, it makes you smile. However, I still feel that my own motivation is good when I do things well. Rewarding does not drive me.”

Reception (R3)

“Of course rewards motivate! Even if it feels silly but of course they motivate. The staff benefits are also important, they are very good here! Those highlight probably even more in big cities because there are more restaurants and all. I really like that we can get food and also hotel overnight stays so cheaply and then we have the sports pass, which is great. I think these affect motivation quite a lot. I have spoken to other people working in other chains and they have been surprised and asked how we can have things so well. Then I have also realised that our staff benefits are really good.”

Reception (R4)

“I do not really know about any rewarding... rewarding however would not motivate me at all. Competitions do not motivate me either even if I am competitive person, for example cinema tickets as a price do not motivate me, and I have said that. Of course if we talk about 500€ then yes... but otherwise not. Good feedback from management, that is very important for me. I know that for some people it is very important to get diplomas etc. and I tend to write those myself too, but personally, those are not important for me. Staff benefits motivate somehow but they are not the reason... they are only a plus!”

Food & Beverage (F1)

“Yes rewarding does help the motivation when you know you have done something well and there is a carrot on a stick. It does motivate to work. It is nice that there is not always daily routine work but also some surprises. Of course salary motivates you to work but in the end I am motivated when I do

something well and I get a thank you for that. It motivates me quite a lot. It feels extra good when you have done something well and you get a thank you from higher in the management that “you did well”. Those are always nice to hear. Those really motivate me”

Food & Beverage (F3)

“Feedback motivates me the most. When you have done something well and you get feedback for that, from colleagues, leader or customers. As long as it is constructive feedback. Second biggest motivator is if our team together achieves something and then we are rewarded with a trip or some activity. The third biggest motivator is money rewards”

Food & Beverage (F4)

“Some people like me are competitive and they like the challenge of selling and seeing how we are doing against our other hotels. I am addicted to looking at the customer scores.”

The below figure 18 shows the rewarding and recognition methods that can enhance employees’ work motivation.

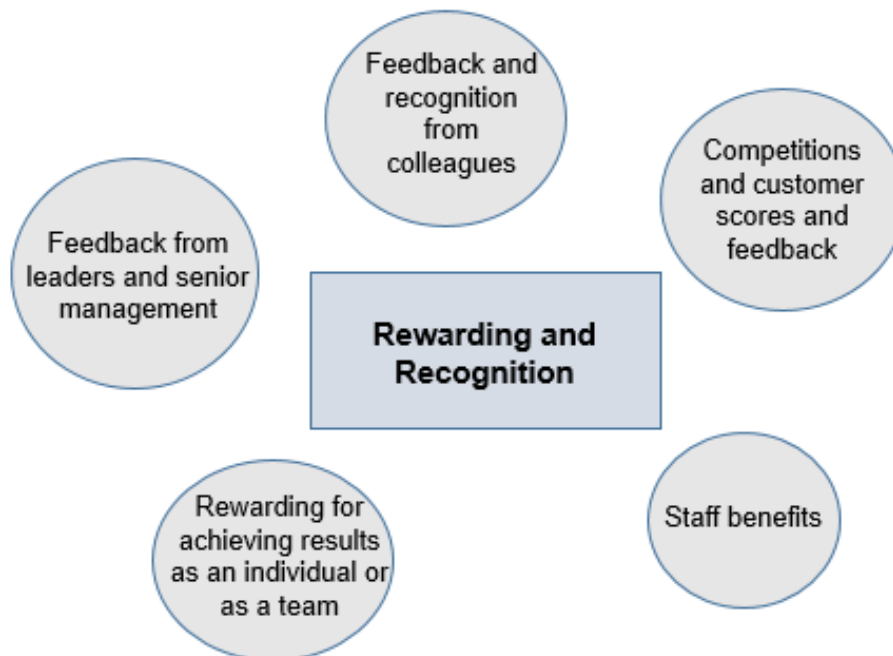


Figure 18 - Rewarding and recognition

6.11.5 Leadership qualities for motivation

The last questions were about leadership and motivation. Interviewees were asked how big impact does leadership have on motivation. All interviewees who answered this question agreed leadership has an important role for motivation. Interviewees described for instance:

Reception (R2)

"I am happy with the leadership here! The most important is that the leaders support you and that they are present. Leadership has an important role, even if they do not really need to "lead" but so that there is someone there if you need support."

Reception (R4)

"Personally I think leadership has a very big role in motivation. Leaders keep things together. Everything that the leader does reflects to what happens below the leader. A good leader needs some kind of authority. The leader needs to be easy approach but also so that you can trust that she/he can make decisions. It is important that you can trust your leader's professionalism and the ability to lead people. Anything that may happen, the leader should be able to handle. I think that this happens here, because I see all the leaders here as a team. Leaders' different skills support each other"

Food & Beverage (F4)

*"A big part. Leadership is important from all senior members. We would like everyone to be a leader and take responsibility. It is hugely important. You have to be confident in what you are saying and confident in the aims and goals. I am a big believer in leadership being natural quality. Some people naturally emerge as leaders. It is something... perhaps charisma. Leading by example, if you work hard people follow that. That is why *leader's name* is an inspiration, because she works hard. Leadership here is good here, but I am not sure what happens above *leaders'* name but I do not think that is particularly important... I just care about customers and that is my number one priority! "*

Kitchen (K2)

"Leadership has a big role. Already for keeping team members awake! You cannot accept everything and you need to encourage and tell off if things are

not going that well. Then employees will understand that it is not meaningless what they do. Leader keeps things alive. How leadership works... well it starts traditionally from encouragement and then trust. Before that, you are supposed to earn your spotlight however. I would say that the leadership here could be better but first we need more resources! The highest leader has so much on his plate so he cannot see everything. You cannot necessarily demand better. We seem to have a little bit too much trust compared to the willingness that is present here now. We could improve it in many ways but first we need to get rid of the “whatever culture”, which seems to have arrived here a little bit. It appears that there are people who come to work but the love for what they do is missing.”

The below figure 19 presents leadership’s effects on work motivation with important leadership qualities as described by interviewees.



Figure 19 - Leadership and motivation

7 Discussions

In this chapter, we go back to the research questions and answer them. In addition, a list of suggestions based on the interview data is included to solve possible issues with motivation. Final parts of this chapter include the conclusion and reflection of the author's learning process.

7.1 Research question 1

Does Scandic demonstrate transformational leadership qualities?

The data strongly suggests that Scandic Hotels Finland demonstrate transformational leadership qualities. All five dimensions are present to some extent. The table 8 below demonstrates some of the main findings.

Table 8 - Main findings

All interviewees believe in the bright future of the Scandic Hotels
All interviewees described that they are encouraged to be creative
All interviewees described they have a freedom to make decisions
All interviewees described they have a clear understanding what is expected from them
11 out of 12 interviewees described the company values being present in their department
11 out of 12 interviewees described that rewarding and recognition help them to feel motivated
11 out of 12 interviewees feel that they are allowed to think differently than others
10 out of 12 interviewees described that the team spirit is good or very good
9 out of 12 interviewees feel Scandic encourages learning new.

7.2 Research question 2

Do transformational leadership qualities have a link to employee motivation?

The data strongly suggests that transformational leadership qualities have a positive effect on employee motivation. The figure 20 below, shows the most important leadership qualities affecting motivation as per interview data suggest. Especially empowerment and freedom for innovation and creativity were described to be highly connected with motivation.

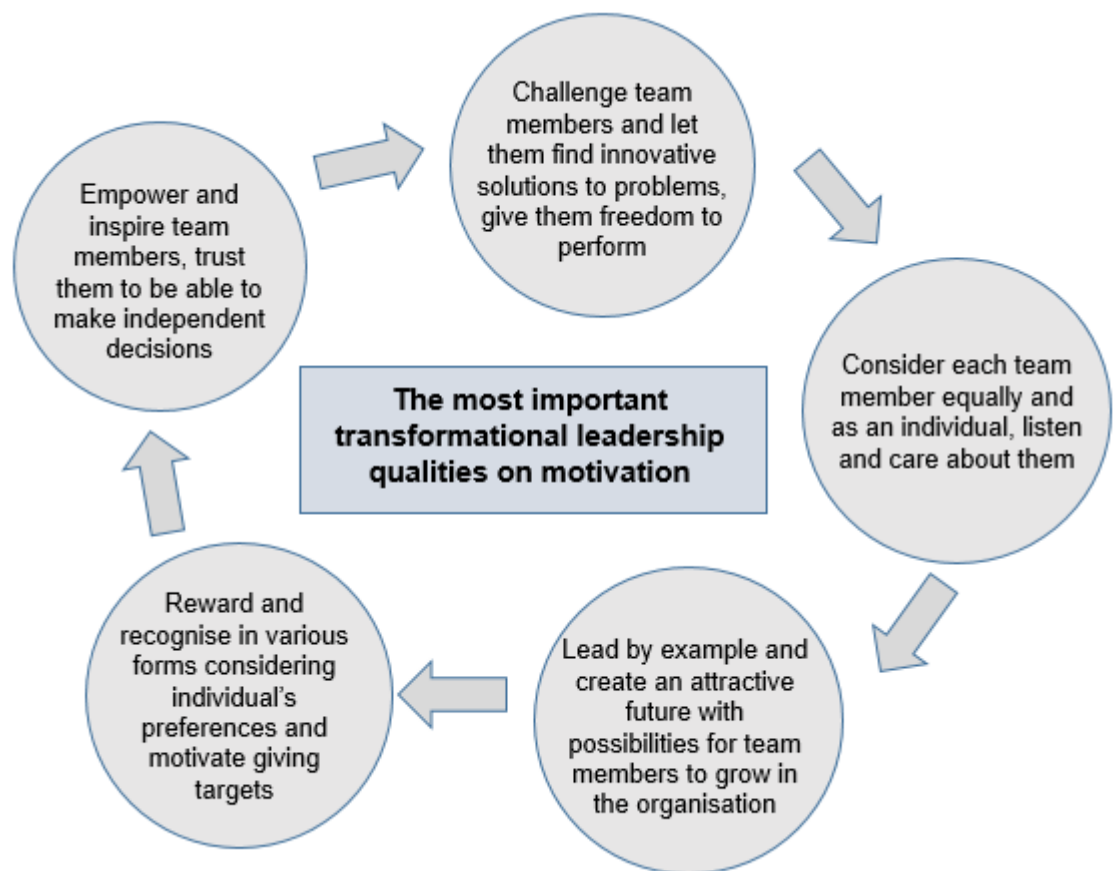


Figure 20 - The most important transformational leadership qualities on motivation

The table 9 below demonstrates how interviewees described they are personally motivated. The table also shows whether their motivation can be supported more by transformational leadership dimensions or transactional leadership dimension on contingent reward.

Table 9 – Motivation of interviewees

Inter-viewee code	Interviewee described own motivation level	Motivated the most by	Transformational or transactional?
R1	High	The desire to do things right, passion for the work itself, team spirit	Transformational
R2	High	Guests, team spirit, learning new	Transformational

R3	High	Guests, positive feedback, team spirit	Transformational and transactional
R4	Medium / High	Challenges, feedback from management, team spirit	Transformational and transactional
F1	High	Guests and achievements	Transformational
F2	Medium	Colleagues, staff benefits	Transformational and transactional
F3	High	Feedback from colleagues, customers or management, rewards for the whole team for achievements, other money rewards	Transactional
F4	Medium	Guests, competitions, customer feedback and scores, salary, team spirit	Transformational and transactional
K1	Medium / High	Achievements, salary, positive feedback from management	Transformational and transactional
K2	Medium	Challenges, pride, work environment, team spirit, salary	Transformational and transactional
K3	Low / Medium	Peaceful work conditions	Transformational
K4	High	Passion for work itself, atmosphere of the work place	Transformational

The interview data suggests that especially two interviewees hold an ideal situation in their work place, which the table 10 below illustrates.

Table 10 - Ideal situation

Interviewees R1 and R2 could be described having the ideal situation. Both R1 and R2 work in departments holding highest possible score in motivation as of Voice 2016 and both of the interviewees described themselves as highly motivated in their work. Both of them are driven by intrinsic motivation, which can be enhanced with transformational leadership dimensions. Both of them have internalised company values, both described they enjoy the work they do, both of them see themselves at Scandic in the future, they believe they have a lot to give to the organisation. Both described empowerment being present and they are encouraged to make independent decisions in their work. Both described their work place encourages learning new and development. Both described that the team spirit being very good in their department.

7.3 Research question 3

What kind of problems different departments are experiencing with motivation?

The data did not indicate that the motivation problems discussed with interviewees have a strong link with leadership qualities or that they would be caused by lack of transformational leadership qualities. Only one interviewee described she is unhappy with leadership.

Instead, the interviews revealed, that transformational leadership qualities can enhance the levels of motivation but are not enough to solve problems with motivation. The data suggests that even if leaders demonstrate transformational leadership qualities, the motivation levels of team members who are intrinsically motivated are not guaranteed if the basic resources that include staffing and work tools are not sufficient.

The data did not prove but it suggests that the departments holding a lower motivation score as of Voice 2016 had experienced insufficient work environment. Further studies would be required to prove this.

The below table 10 demonstrates the motivation issues discussed with the interviewees.

Table 10 - Motivation issues

Problem	Effect	Why?
Lack of employees on duty	Stress	Money
Lack of work tools / problems with work tools or work environment	Stress, Not being able to perform work according to required standards	Money
Inequalities with salary	Frustration	Money Leadership
Leader's focus on making money	Frustration, Unhealthy competition	Money Leadership
Inability to develop further	Frustration	Employees experiencing lack of opportunities to learn or to develop, Leadership
Lack of team spirit	Negativity Frustration	Chemistry between work colleagues, Lack of motivation of others

As we can observe from the table 10, motivation levels are most often suffered by lack of resources. Another aspects that decrease motivation as described by interviewees include inequalities of salaries and the leader's focus on too much money. We can observe that these problems are mainly caused by money. Inability to develop further and lack of team spirit were the only problems that were brought up during interviews that are not caused by money.

7.4 Recommendations

The data suggests that in addition to applying transformational leadership qualities that were illustrated in the figure 20, leaders are encouraged to follow the below steps to solve possible issues with motivation.

- Have enough employees on duty. Several people described that when it is too busy, it can be extremely stressful. This is also when team members do not have enough time to be creative with problem solving and only are able to do the minimum. The interview data suggests that when the basic resources are not in order, other motivational factors may only be secondary.
- Make sure employees have the necessary work tools they need, from coffee mugs to IT databases. The lack of these or issues with them can really cause frustration and put motivation down even for those who are normally motivated. As with the first one, when the basic resources are not in order, other motivational factors may be only secondary. The data suggest that the atmosphere shall not be focusing on money too much. Employees wish to have a functional work environment. The interview data suggests that providing the needed resources is a good investment in employee motivation.
- Ensure everyone is aware of the rewarding methods. Perhaps print everyone a copy of the rewarding instructions for reference. Consider conducting some salary checks. Even a small salary increase could improve motivation especially with those who have been in the company for a long time. Ensure salary is corresponding to the levels of experience. Employees may talk about salary with each other and can see it as hugely frustrating when there are inequalities.
- Take into account different age groups and carefully listen to people's needs. Give extra attention to those who have been in the company for a long time and may have lost the motivation. Be caring, listen attentively and be present with all team members.

- Develop team spirit by positivity and fun. Perhaps involve team members in recruitment process to create a team with the best chemistry. In interviews, try to find out whether the interviewees have internal motivation and passion for the work.
- When it comes to rewards and recognitions, the data revealed that individuals have several opinions about rewards. For example, some people enjoy the competition but some people find it meaningless or perhaps stressful. Try to identify the individuals' preferences. For the ones who enjoy the challenge, provide more opportunities to compete. In addition, keep providing regular constructive feedback, this was seen very important for interviewees.

The below table 11 summarises the main steps to enhance team members' motivation.

Table 11 - Summary

1	Applying transformational leadership	<ul style="list-style-type: none"> ➔ Encourage team members' intrinsic motivation ➔ Create a motivated, positive and open-minded team chemistry ➔ Give freedom and demonstrate trust for your team to perform ➔ Provide future prospects and regular opportunities to learn
2	Investments in resources	<ul style="list-style-type: none"> ➔ Organise and monitor that the work environment is up to the required standards ➔ Eliminate team members' stress with proper shift planning
3	Applying transactional leadership	<ul style="list-style-type: none"> ➔ Identify individuals' preferences on rewarding and recognition ➔ Challenge team members who enjoy competitions with the promise of rewards as an exchange of achievements. However, do not pressure those who do not enjoy competing ➔ Ensure employees' salaries are corresponding to the experience ➔ Provide regular feedback

7.5 Conclusion

Bass & Riggio (2006, xi) described that transformational leaders focus on intrinsic motivation and on employees' positive development. In contrast, Northouse (2010, 171) described that transformational leadership is a good fit in today's work life where individuals

want to be empowered and inspired. This study indicates that Scandic Hotels Finland are demonstrating several transformational leadership qualities that positively affect work motivation. Empowerment was especially a topic that was present during all interviews.

Naturally, what we already knew before the study was conducted is that different people are motivated by different factors. Yet this study suggests that Scandic appears to have found, and encouraged team members' intrinsic motivation. Intrinsically motivated employees want to do things to the best of their abilities, and they get a simple pleasure from doing things right. They want to make guests happy. They get a pleasure from the ability to be creative and innovative, making decisions independently, being passionate about their work, and from challenges and achievements. Surely, any company would like this attitude from its employees.

Transformational leaders arouse team spirit (Bass & Riggio 2006, 6). This study strongly indicates the effect that people have on each other is tremendous, and here team spirit plays a major role in motivation. Team members' ability to stay positive and have fun while work can be busy seem to be some key qualities for functioning team chemistry. Interviewees described generally that team members at Scandic are friends with each other, not only colleagues. In addition, they can be themselves and be open about their ideas. Team spirit is being developed by meeting outside of work with recreational activities and casual get-togethers. The study gave an indication that even one person with a negative attitude can spread to the whole team and that is why we can say that creating a team that is functioning well together is one of the most central tasks for leaders.

Bass & Riggio (2006, xi-xii) described that better leaders use transformational methods more often than transactional methods. The results of this study support this statement and indicate that rewards and recognitions indeed play an important role and can certainly enhance team members' motivation levels despite not being the main motivator. Rewards and recognitions for example include salary, rewards from achieving sales targets as individuals or as teams, feedback from colleagues and management and staff benefits.

The research revealed that the lack resources can strongly demotivate employees. The data suggests that employee's intrinsic motivation can go down if the basic resources are not in order. When team members are feelings stressed out for factors they are not in control themselves it can affect their motivation levels strongly. These factors include work tools and staff resources. The study thus indicates that transformational leadership qualities can enhance motivation levels but are not always enough to solve problems. Based

on the data from this study, we can suggest that if team members are experiencing problems with work motivation, it is essential to look at the resources, and identify if there are any issues with them first.

One of the questions that the author had on mind before conducting the interviews, was whether leadership plays a big role in the differences of motivation levels at different departments at Scandic Hotels. The study did not prove a strong link that leadership qualities would be the cause. The data from this study instead strongly suggest that the leaders at Scandic Hotels follow the same way of leading, which indicate that Scandic has successfully trained its leaders according to its leadership strategies. Perhaps this is the key for winning the Great Place to Work survey 2017. Most of the interviewees described that leadership is an important player in motivation, and that they are satisfied with the leadership in their department.

Further studies that the author considers important for the future include how older generations' motivation could be enhanced since their interests may well be different than younger generations. Understanding generational differences could thus be beneficial.

7.6 Reflection of one's own learning

This thesis project was a very useful learning experience and a great opportunity for me to get an insight into operations of Scandic Hotels. I am grateful for the possibility to conduct a thesis of a topic that during my studies, had developed to be important and very interesting to me. Knowing that this project was also of interest to the commissioner gave an extra purpose to aim for meaningful results. I am also grateful for all the support and inspiration I have received from my supervisor teacher during my studies and this process.

This project sharpened my time and project management skills but the skill that I feel especially developed during this process was conducting interviews. Conducting 12 qualitative interviews of a sensitive topic where strong positive as well as negative feelings were involved turned out to be very eye-opening and rewarding. Learning to stay neutral, but still build trust with the interviewees was challenging at times, but even more satisfying when succeeding with it. I am sure that this skill will help me with my career.

I am satisfied with the project and research results. Surely some things could have been done differently. For example, some additional questions could have been asked from interviewees to dig deeper into the topics. I may have also been a little too eager to interview that many team members. Interviewing less people but with more questions and

more time may have given richer results. In addition, writing the theory was sometimes challenging, and I feel that I focused a little bit more on the analysis and methodology parts than the theory. Thus, I could have tried to make this thesis more academic.

Yet, I can say that this project was a great ending for my study path at Haaga-Helia UAS as a bachelor student. This thesis project gave me a lot of understanding about what good leadership is all about and I strongly believe that this knowledge will be beneficial in the future.

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