Exploring rewarding of the zero-hour contract employees

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**Abstract**
The purpose of this thesis was to find out what kinds of rewarding policies would support zero-hour contract employees' wellbeing at work. This research was conducted for a new store of an international franchising company operating in the restaurant field. The company had no existing rewarding policies, and the aim of this thesis was to survey the best rewarding policies to support the occupational health of the zero-hour contract employees in the company.

The research was qualitative including theme interviews with four employees working under a zero-hour contract, an employee working full-time and the manager of the company. The themes of the interviews represented different rewarding policies and occupational health. Another research method was observation of the reported rewarding methods in the store.

The results of the study indicate that the variation between the most effective rewarding methods impact occupational health, depending on employment types. The results concerning the rewarding methods affecting wellbeing at work indicate that the most efficient rewarding methods are non-monetary, which have a direct influence on the feeling of community in the company and among the co-workers.

The current status of the zero-hour contract as a contract type makes the study actual. This type of study has not been conducted before, which adds value to this thesis. The results of this study, due to the qualitative research method used, may not be generalizable to be used in other companies but opened up a new and interesting field of study. The next themes studied could be the engagement, motives and motivation of zero-hour contract employees.

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zero-hour contract, rewarding, non-monetary rewarding, wellbeing at work, employment qualitative research

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**Tiivistelmä**
Opinnäytetyön tavoitteena oli selvittää millainen palkitseminen tukee nollatunlitisopimuksella työskentelevien työntekijöiden työhyvinvointia. Tutkimus toteutettiin ravintola-alalla toimivan kansainvälisen franchising-yrityksen uudelle liikkeelle. Yrityksellä ei ollut ennalta määriteltyjä palkitsemismalleja ja tutkimuksen tavoitteena oli tutkia ja etsiä parhaat palkitsemistavat tukevat nollatunlitisopimus-työntekijöiden työhyvinvointia toimeksiantajat yrityksessä.


Tutkimuksen tulokset osoittivat työoppimukseen ja työsuhteen laadulla olevan vaikutusta parhaaksi havaituista palkitsemiskinemoista tukevan työhyvinvointia. Parhaiten työhyvinvointia tukevat palkitsemistavat osoittautuivat aineettomaksi palkitsemiseksi, milloin on suora vaikutus nollatunlitisopimustyöntekijöiden yhteisöllisyyden tunteeseen.


**Avainsanat (asiasanat)**
Nollatunlitisopimus, palkitseminen, aineeton palkitseminen, työhyvinvointi, työsuhde, laadullinen tutkimus

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1 Introduction

This thesis investigates the role of rewarding in occupational wellbeing in the case of zero-hour contract employees. Zero-hour contracts is a current issue in today’s labor market, and employees working under a zero-hour contract are not fully included in the company. This study tries to examine different ways and practices for improving occupational health through rewarding in order to promote the working conditions and equality for the employees working under a zero-hour contract.

The current status of zero-hour as a contract type acted as a motive to study this topic. The zero-hour contract has been spoken on the media. Helsingin Sanomat has published opinion pieces and stories about zero-hour contract employees. The pieces have been both positive and negative towards the contract type. Lotta Metsärinne wrote about the flexibility of a zero-hour contract (Metsärinne 2015) whereas Mika Pahlsten took part on the conversation by calling the contract-type as immoral (Pahlsten 2015).

Zero-hour contract has even given rise to a citizens’ initiative “operaatio vakiduuni”, which suggests a minimum of 18 working hours a week for part-time employees to improve their social and economic status (Operaatio vakiduuni 2015). The contract type itself has not been defined by the law. Therefore, it requires some legal responsibility of the employer.

The nature of this thesis is explorative and it discusses and study’s occupational health and rewarding, connecting these issues to zero-hour contract employees. The thesis explores what kind of rewarding supports occupational health of zero-hour employees and is conducted as a case study.

1.1 Company x

The company that assigned this thesis is a store part of a world-wide franchising company operating in the restaurant industry. It was founded in the United States in the 1960s by a young man. Within a year, the company expanded and by the late
1960s, the company had formed its core business. Within the next decades, the store grew massively and became popular among consumers around the world.

The case company of this thesis is a relatively small store located in Jyväskylä. It operates on the premises of a supermarket and is open during the supermarket’s business hours. The store and its owner employ a store manager, who is responsible for the store, its daily routines and tasks, weekly clearance and human resource processes of the store, and 12 employees. The employment types of the employees vary from full-time contracts to zero-hour contracts, depending on the employee’s status. All contract types become permanent after the two-month training period.

1.2 The research question and the objectives of the thesis

An old proverb says that a good question is half the answer. Finding the right research questions and issues to study is normally harder than the study and the results themselves. However, especially in a qualitative study, the research question and the issues studied may change over the process. Therefore, it is sometimes unnecessary to focus on the research question from the beginning and start by defining the subject studied, keeping in mind the ideas and motives behind the study and formulating the final research questions as the study proceeds (Hirsijärvi, Remes & Sajavaara 2004, 116-117).

The issues studied in this thesis were to find ways to improve employees’ occupational health through rewarding. There were no existing policies or strategies in the case company to reward the employees, and the company requested ideas and suggestions on how to reward employees in order to improve their occupational health. The focal point of the subjects studied was the employees working under a zero-hour contract, their lack of commitment and the “feeling of not being a member of the community”.

With the economical atmosphere in the businesses of the country, the focal point of the rewarding policies was chosen to be non-monetary. Monetary rewarding was
also studied and researched but the focus of the final result of the thesis is on non-monetary rewarding.

According to Hirsijärvi and others (2004), a study requires a key idea to follow. With this idea, a primary research question may be appointed and formed. The results, analysis and focus leads to secondary research questions that allows to answer the primary question and finds results for the topic (117-119). The primary research question was formulated in accordance with the topic and issues of the thesis:

1. What kind of rewarding improves the occupational health of zero-hour contract employees?

The secondary research questions that continued to evolve around the thesis as the process continued were not formulated as questions but as certain themes that needed opening up. The secondary themes discussed the motives and meaning of the employment, each subject’s own personal views and ideas on rewarding and also survey and study the current state of the company’s occupational health and rewarding policies.

The objectives of this thesis is to answer the main research question. With the assist of the secondary research themes the study aims to find answers to the primary research question.

This type of study has not been composed before, mostly for the relatively new concept of zero-hour contract. The idea of this study was to get new and relevant information on the topic that could be implemented in practice by the case company. For the research method being qualitative, the results cannot be implemented in action in a scientific context but it helps to understand the desires of employees’ of the case company. The conclusion –part of the thesis also suggests useful practices concerning rewarding in workplaces in the restaurant industry and the case company.

The purpose of this thesis is to study the subject of zero-hour contract in human resource perspective to improve the occupational health of employees and get closer to solutions on including zero-hour contract employees into the company.
While analyzing the results of the study, a new research question emerged. The answers of the respondents differed from the writer's own expectations and previous findings on rewarding as a part of occupational wellbeing. Did the employment type, full-time contra zero-hour contract, have an impact on the results?

2 Zero-hour contract

The Finnish government, trade unions and workers have been talking about zero-hour contract, and no doubt people have noticed stories in the media about employed people with no working hours. What is this relatively new phenomenon called zero-hour contract? This chapter introduces zero-hour contract as a contract type, explains the legal rights of the contract and discusses public opinions and publications of the subject.

2.1 Zero-hour as a contract type

_The expression “zero-hours contract” is a colloquial term for a contract of service under which the worker is not guaranteed work and is paid only for work carried out. It generally leads to a form of working where the worker is not guaranteed any work but has to be available as and when the employer needs them (Pyper & McGuinness 2014, 3)._  

According to Finnish Ministry of Employment and Economy (TEM 33/2013), zero-hour contract is not defined by the law. The contract may vary within different employers but the combining element is the flexibility, undefined employee rights and working hours in the contract. In zero-hour contract the working hours may vary from zero to 40-hours a week. Zero-hour contract may be fixed-term, permanent or a mixture of aforementioned two types of contracts (2-3).

Other forms of zero-hour contracts are “on-call contract” and “occasional work”. On-call contract-employee’s working hours are not defined in the contract but the employee is called to work as and when needed. The contract may vary from
terminable to permanent, the norm being keeping the employees as “permanent extras”. “Occasional work” is an agreement or a contract between the employee and the employer that entails the conditions of the work. According to the contract employer may offer the employee occasional work where each working shift forms its own terminable employment (ibid., 2-3).

The latest trend within zero-hour contract is so called “key-time contract”, where the employee has a certain amount of core hours and is asked to report additional hours they are able to work. Within this contract type the employer may call the employee to work with less than 24 hour notice and the employee is obligated to arrive to work. This type of “flexi contract” has not yet arrived to Finland but is in use with trade sector (supermarkets and department stores) in the United Kingdom and in the United States of America (Burchell & Wood 2014).

Usage of zero-hour contracts had not been reported until March 2015, when statistics Finland published a new report about zero-hour contract workers in Finland. According to the report, which is a part of the annual Labor Force Survey (2015), 83,000 wage earners in Finland were working under zero-hour contract in 2014. The amount of zero-hour contract employees is 4% of all wage earners, 57% of these being women and 43% men.

Anne Pärnänen (2015), a columnist for Statistics Finland wrote about the people behind these numbers (See Figure 1). More than half of zero-hour contract employees consider work as their main action, and 36% described studying to be their main action. 30% of all employees desired more working hours, the number being 59% of non-students part-time employees and “others” - group, which consists of unemployed people whose working hours are limited. Students were the only group who were happy with their working situation. According to Statistics Finland (2015) 72% of employees worked under permanent contract and 28% under fixed-time contract.
The industries using zero-hour contracts were wholesale- and retail industry (15,000 employees), health- and social services (11,000) and accommodation- and restaurant industry (10,000). When adjusting the amount of wage earners in the industry, restaurant- and accommodation industry used zero-hour contract widely, up to 13% of all employees of the industry (Statistics Finland 2015). Finnish Member of Parliament Maria Guzenina wrote in her statement (2013) these contracts to have the most severe impact on young women and young employees in food service industry, retail industry and service industry.

The usage of zero-hour contracts in industry wise have also been studied in United Kingdom. Pyper and McGuinness reported in House Of Commons Zero-hour contracts note (2014, 5) service industry, specifying in accommodation and food services using employees under zero-hour contract as widely as 45% of all employees.
2.2 Legal issues

With the new trend of zero-hour contracts, the Finnish legislation has not been able to keep up with the changing society. Therefore the legal rights of zero-hour contract employee, and obligations from the employer are unclear.

According to Finnish Working Hours Act (TAL 605/1996) chapter 3 section 6 regular working hours are not to exceed eight hours a day or 40 hours a week. Part-time employee is an employee whose working hours are less than those, who work under the lawful regular working hours. According to this regulation zero-hour contract may be defined as a part-time contract.

Finnish Working Hours Act does not define the minimum working hours. Therefore it is legal to use short-term employment or zero-hour contract with part-time employees. Working hours in the employment contract may be defined with certain working-hours or flexible hours or can be defined as followed in the collective labor agreement (TEM 33/2013, 6).

As stated by Ministry of Employment and Economy (ibid., 6) the legal difference between full-time and part-time employment is the responsibility to offer extra work. Finnish Employment Contracts Act (TSL 55/2001) chapter 2 section 5 regulates employer’s responsibility to offer additional and/or extra work to current part-time employee if the work entails same duties and requires the same education than current part-time employee’s job description before hiring new workforce.

*Employees shall not do work for another party or engage in such activity that would, taking the nature of the work and the individual employee’s position into account, cause manifest harm to their employer as a competing activity contrary to fair employment practices (TSL 55/2001).*

**Non-compete term**

According to Finnish Employment Contracts Act chapter 3 section 3 an employee is obligated to work only under one employee at a time in the industry if the
employment contract is permanent. This regulation makes it difficult for employees under zero-hour contract to earn in comparison with full-time employees. Thus it is highly unlikely for a zero-hour contract employee to provide for themselves with this type of part-time employment, weather another vacancy occurs the employee is obligated to work under one employer. This type of regulation is mostly used in the service industry, where employees may be forced to sign a contract concerning the non-compete term.

As stated by Ministry of Employment and Economy (TEM 33/2013, 19) this aforementioned regulation of Finnish Employment Contract act chapter 3 section 3 (TSL 55/2001) argues The Constitution of Finland chapter 2 section 18;

Everyone has the right, as provided by an Act, to earn his or her livelihood by the employment, occupation or commercial activity of his or her choice. The public authorities shall take responsibility for the protection of the labor force (PL 731/1999).

Employee engagement

Other problems may occur with employee engagement. Ministry of Employment and Economy (TEM 33/2013, 11) states the uncertainty of employees’ legal right to not accept the work offered. The law does not define or regulate employees’ right to turn down working shifts. Weather an employer has accepted possible additional work in the employment contract, the employee has a responsibility to accept all offered work. By law, the only possible scenario for turning down additional or offered work is for stated reasons if the offered work is to be performed in the employee’s weekly free time (TAL 605/1996). On restrictive interpretation employer may have a valid reason to dissolve the employment.

For these aforementioned reasons the replicate has interpreted zero-hour contract to engage the employee to the contract more firmly than the employer; the employer may or may not offer work, whereas the employee must accept all offered work (TEM 33/2013, 11).

2.3 Conversations in media

Blogosphere, newspapers and even Finnish government have been publishing stories and news about the zero-hour contract and its usage within the past years. It has
been on the table of every trade union whose members are somehow influenced by zero-hour contracts. Statistics Finland shows interest towards this type of contract and published information about zero-hour contract employees in their labor force study in March 2015.

The most influential and widespread public media is “Operaatio vakiduuni”. A citizen initiative signed in January 15th 2015 that strives to deny zero-hour contracts by a law decreeing the minimum working hours to be 18 hours a week. According to Operaatio vakiduuni (operaatiovakiduuni.fi 2015,) the weekly minimum working hours would able the predictability and planning of an employer’s livelihood. It would also improve social and employment security. The “OVD-organization” is a group of students, workers, unemployed and retired people from public and private sectors, who believe in the equality of employers and want to ensure the right benefits and working rights for everyone.

Another type of media that has published information on zero-hour contracts is the PAM paper, the service industry trade union’s magazine. The PAM magazine has published stories about people working under zero-hour contract in different industries and relevant news about the changing working environment. A recent story was published about a security personnel working under a zero-hour contract. The interviewee has two contracts with different security service providers but no working hours since October. When interviewed she was walking around Tampere to get signatures for an Operaatio vakiduuni initiative (Pam-lehti 2015, 12).

Members of the Finnish parliament have also taken part in the conversation about zero-hour contracts. The Social Democrat party and the members have commented and published news on zero-hour contracts in a direct and somewhat radical manner that has stirred the public eye. Jukka Kärnä, a member of the party stated that “Zero-hour contracts are a travesty” (Demokraatti.fi 2015). Another member of the party, Maria Guzenina wants social democrats to “drive zero-hour contracts to the deepest hell” (Politics by Maria Guzenina 2013).

Other parties of the parliament, such as “The Finns Party”, The Greens, the Centre Party of Finland and the Left Alliance of Finland have insisted in the zero-hour
contract to be denied by the law in a study conducted by The Trade Union for the Public and Welfare Sectors (Yle Uutiset 2013).

Internationally speaking, zero-hour contracts have spoken to the public. A study conducted by the University of Cambridge followed and documented the usage of zero-hour contracts in a super-market chain in the United Kingdom and the United States of America. The study showed that the usage of zero-hour contracts are extremely stressful for employees’ mental health leading to anxiety and economic instability. A new trend within the chain was to offer key-time contracts for new employees, meaning a minimum working hours on the peak time of the store leaving the employees to wait at home for a phone call to arrive to work (Zero-hours contracts are ‘tip of the iceberg’ of damaging shift work, say researchers. 2015).

3 Exploring rewarding

This chapter discusses rewarding in human resource management scale and superficially introduces different types of rewarding by Finnish specialists - used in Finland. The chapter strives to examine the main points of monetary and non-monetary rewarding concluding the chapter on rewarding and its relation on zero-hour contract employees.

3.1 Human resource management and rewarding

Human resource management (HRM) was almost non-existent until the early 1960s. Where it did exist it was a small personnel management function concentrating on recruitment and training. Personnel management was fully established in the 1960s after the introduction of employment legislation, such as Contracts of Employment Act (Boella & Goss-Turner 2013, 10).

According to Niiranen (2007, 8), it was not until 1980s when human resource management in its present form was established in organizations. Nowadays, it is defined as managing and guiding people as part of organizational functions and
strategic management. With new competitors, technology and the requirements concerning employees, HRM has to develop, engage in and build long term strategies within organizations.

Human resource management is part of organization’s core functions. It is usually divided into three sections: recruiting, payment and development, and organizations should aim to make decisions within these sections. Different forms of rewarding should be based on organizations’ own human resource management processes to be successful (Niiranen 2007, 8 according to Strömmer 1999 12-20, Beer, Spector, Lawrence, Mills & Walton, 1985 9-10).

**Total rewarding theory by Rantamäki, Kauhanen and Kolari**

“Rewarding is a managerial tool to support organizations success and encourage employees” (Kauhanen 2011, 88).

Rantamäki, Kauhanen and Kolari (2006, 15) write about the difficulties of defining rewarding. It (rewarding) can be described as an exchange relation, where employees receive payment, benefits, feedback, a chance to career development and professional growth in exchange of their contributions to the company. This relation should be mutually beneficial: employees support the organization’s values and receives rewards to support their own values. When employees feels this relation to be successful, they are motivated and willing to work towards the mutual goals.

Rewarding is usually understood as financial support e.g. bonus or payment whereas in reality, the financial aspect is only a small part of rewarding management. There are several total rewarding theories and practices in Finland. For this study was chosen Rantamäki and others’ (ibid., 16) four segment total rewarding theory that emphasizes non-monetary rewarding. See figure 2.
Work and the way of action defines the content of work, way of work and supervisor actions. Management and supervisors are key elements for an employee to feel appreciated. If employees are engaged in an organization’s values, they may experience rewarding. According to Adams (2007, 232), when an employee or a group of employees have a freedom to choose the way of action, the choice itself will become the reward instead of the final result.

Professional growth and development supports employees’ personal development and career planning. It is important for employees to develop their knowledge and professional expertise. Performance appraisal is the most common tool to discover an organization’s and employees’ development goals. Foot and Hook (1999) state that performance appraisal and feedback may reward employees for their past work. New responsibilities and a possibility of a future inside the organizations strives to motivate employees and benefit both employee and organization (227-228).

Benefits may consist of flexible working hours and a modern working environment. Benefits to employees indicate a good working environment where the employees are treated as persons, not only resources. “A thank you by supervisor from daily work can help to manage through consumptive and unthankful routine” (Lappalainen 2013, 18 according to Hakanen 2009, 67-68). Benefits also consist of monetary benefits such as health care and company gatherings. These benefits are explained later in chapters 3.2 and 3.3.

Monetary rewarding is most commonly understood as a form of rewarding. The most common financial rewarding methods are payments, bonuses, profit rewards and options. Monetary rewards are a tangible return of input and guide personnel.
actions. In some cases, monetary rewards may be seen as a negative reinforcement (Adams 2007, 232). When employees are offered a financial reward for successful completion of a project, they are less likely to consider the project attractive but the reward is interpreted as a sign of an unpleasant task.

As this aforementioned figure of total rewarding shows, rewarding is a more complex whole than might be understood. According to Laakso (2012, 24), the management’s and employees’ perception of the most significant rewards may differ considerably. The key is to find the best suitable total reward practice for your organization and adapt the program to suit the individual and team needs of an organization.

Laakso (2012, 28) according to Kerr (1999), reminds us of the importance of communication. Employees who are aware of expectations and requirements are able to act towards those organizational goals and values. If communication is lacking and reward practices are insufficient, employees are unwilling to make an effort.

3.2 Non-monetary rewarding

When talking about rewarding the usual assumption is a financial benefit or a reward from an organization. Studies show that non-monetary rewarding is the most beneficial to organization and motivates employees above monetary rewards (Kauhanen 2010, 94-97).

**Benefits**

As described, benefits may be considered both as monetary and non-monetary rewarding method and is therefore described in both subtitles. Studies show that an employee would rather choose a workplace with most non-monetary rewards such as different benefits than a placement with more salary, another benefit.

According to Dessler (2005, 476-478) benefits defined by law, such as health-care and paid holiday requires expenses from employer.

"Yet the returns on this investment are rarely considered. It can affect recruitment, retention and motivation, and can impact on individual
“Performance or contribution to the organization” (White & Drucker, 2000, 151).

Benefits are understood as a lesser part of rewarding management in Finland. Employees and organizations may take benefits for granted but they fill all the criteria for rewarding. These benefits, such as clothing, food-benefit, cellular phone or a car benefit are an investment to an organization and human resources (Hakonen N., Hakonen A., Hulkko-Nyman & Ylikorkala 2014, 148-149).

Benefits may also be a reason to engage an employee to an organization. They can communicate on a balanced community and appreciation towards employees (ibid., 149).

Management and rewarding

Organization and the structure of work combined with good managerial skills from supervisor have an impact on employee motivation and wellbeing. A good manager knows how to reward employees as a whole. The process starts with appreciation towards staff, which reflects on the overall atmosphere of a workplace. Employees does not expect miracles but simply a shown interest. Small but important things, such as greeting, apologizing for own mistakes, taking notice of accomplishments and giving feedback are the most influential ways to effect on employee wellbeing and are seen as rewards (Rantamäki, Kauhanen & Kolari 2006, 67-70).

According to Kouzes and Posner (1999, 63-66) a good supervisor is a leader among employees. A supervisor ought to wander among employees and take notice of daily tasks. They are not to search bad examples or problems—which may lead to lack of credibility, declined performance and poor working environment, but to take interest on employees’ actions. A supervisor actively searching for good examples and work well done creates an inspiring environment and encourages employees to perform at high-level.

Feedback

Organizations have sought to motivate employees by rewards and performance-related pay for excellent performance at work when in fact studies show that
performance appraisal is the most effective way to reward employees (Foot, Hook, 1999, 228-229).

The most common suggestion of improvement in staff inquiries is feedback. A feedback or a performance appraisal is to give compliments for good work as well as suggests in improving performance. Restorative feedback support organizations actions and guides employees to perform accordingly to organizations values. This type of feedback may be given in public to have the best possible impact on employees’ performance. Giving constructive criticism to employees is as important as complimenting for a good performance. Constructive criticism however encourages employees to alter the way or action and should be given in private (Rantamäki, Kauhanen & Kolari 2006, 70-72).

Boella and Gross-Turner (2013, 93-95) state that for a performance appraisal to be effective, targets for a company are to be set. Individual performance appraisal however should not be an annual formality. Each time employee receives counseling, praise or corrective guidance from a supervisor, a form of informal appraisal is taking place.

According to Rantamäki and others (2006, 76-78) performance appraisal is supervisor’s best tool to define development and professional growth as well as career planning for employment. Performance appraisal communicates the company’s interest towards an employee and their professional growth.

**Professional growth**

*Employee development as a part of the organization’s overall human resource strategy means the skillful provision and organization of learning experiences in workplace in order that performance can be improved, that work goals can be achieved and that, through enhancing the skills, knowledge, learning ability and enthusiasm of people at every level, there can be continuous individual growth. Employee development must, therefore, be part of a wider strategy for business, aligned with the organization’s corporate mission and goals (Foot & Cook 1999, 197-198, according to Harrison 1993).*

Professional growth inside an organization is seen as a reward. A new career path, different tasks or a change of work motivates and connects employees to an organization. Nowadays organizations lack different organizational levels, and
therefore new assignment with same or even lower level of demanding could and should be set as an attractive option (Kauhanen 2010, 98-99). See figure 3. According to Lappalainen (2013, 18) all employees are not willing to educate themselves but want to stay in the same demand level or in the same position. This brings new challenges to supervisors and requires commitment and communicational skills.

Figure 3 Professional growth. (Kauhanen 2010)
Flexibility

Hakonen and others (Hakonen, N., et al. 2014) talk about stability of employment and flexible working hours as a form of rewarding. Flexible working hours, working roster and self rostering are examples as a rewarding management that have an impact for both employee and employer. Employees’ feel appreciated by the organization when their wishes and hopes are taken inconsideration when planning a roster. As a managerial perspective, weekly roster ought to be published as early as possible, seven days before at the latest. This allows employees to plan their free-time activities and other schedules that have a connection to wellbeing (202-219).

3.3 Monetary rewarding

Monetary rewarding or financial rewarding consists of non-job related rewards such as salary and financial benefits. Hakonen and others (2014) write about the controversial statements of financial rewards. Some studies (e.g. Pink 2009) show that monetary rewards destroy motivation towards work. On the other hand Herzberg stated (1968) salary to be a “hygiene factor” in his two-factor theory. Studies today show rewards and monetary rewards to motivate employees, unless payment level is seen too low, when compared to work performed (21-23).

Payment

The most influential reward is salary, hourly or monthly salary most commonly. Salary is a compensation for work completed. It is for an employee to determine the amount of salary as long as financial compensation of work performed crosses minimum wage of the collective labor agreement (Kauhanen 2010, 104-105).

The concept of exchange is at the heart of the employment relationship. Every employment is made up of two elements— the wage-rate bargain (how much the employee is paid) and the effort-bargain (how much work is produced in return for the pay). Employees expect that their remuneration will reflect their contribution to the work and the employer expects to pay what is considered to be a fair price for the work done (White & Drucker 2010, 26).

Pay for performance is another method of monetary rewarding. Where salary usually consists of hourly wage, pay for performance rewards employees according to
profitability. These types of payment methods are used in sales and industrial work and the payment is formed with salary and commission according to employee’s performance (Hakonen, N. et al. 69-70).

“Employees labor and payment terms are formed by collective agreements, labor code and personal contract of employment” (MaRaVa TES, 2014).

Collective agreement for hotel, restaurant and leisure industry (MaRaVa TES 2014, 27-35) defines how salary is formed in service industry. Employer is obligated to pay minimum wage accordingly to assignment, stated in the collective labor agreement and “age bonus” accordingly to experience in the industry. Employer is free to pay employees any other personal increment or bonuses.

Benefits

Benefits, as already included in non-monetary reward, form also a part of financial rewarding. Benefits provided by an organization may also have monetary value to an employee. Rantamäki and others (2006) have studied the most common benefits used in Finnish companies. Monetary rewards stated are employee discounts to organization’s own services or other company’s services, different benefits supporting employees’ wellbeing (massage, gym membership, and exercise coupons) and recreational benefits, such as employee gatherings and parties, gifts and “red letter days” (155-156).

3.4 Rewarding in zero-hour contract

Lappalainen (2013) writes about the differences on rewarding. Each employee feels different rewarding methods to have the most impact on their motivation. In her study, different forms of non-monetary rewarding were commonly felt as the most meaningful ones in occupational health wise. Four main themes where seen as the most effective ones: 1) supervisor 2) feedback and appreciation 3) monetary rewarding and 4) professional growth (69-70).
In Niirala’s (2007) study, professional growth and the possibility of moving ahead in career were also felt as motivator. Following the results of Lappalainen, (2013) monetary rewarding, feedback and flexibility were high on the list (38-39).

Both of these studies were conducted with full-time employees and therefore are not completely accurate on zero-hour context. But when connecting rewarding to zero-hour employees the lack of previous studies and material forces to make conclusions based on the existing studies. One could imagine that flexibility does not play a role in zero-hour contract employee’s rewarding methods, especially if the employee is a student or working under such contract from own will. The main themes for effective ways to reward zero-hour contract employees’ could be stability and monetary rewarding.

Zero-hour contract employee’s working hours, as written before, may vary from 0 to 40 a week. Therefore it is safe to assume that stability of the work is one of the issues when addressed this contract type. For a person working unstable hours it could be relieving to predict the livelihood of the next working period. Stability of the work would therefore rise to the main theme to effect on occupational health.

For many zero-hour contract employees, monetary rewards could be seen as the most effective rewarding method. The employees get a direct reward from the work conducted. This rewarding method may be connected directly to students or pension earners, whose main income source or occupation is not the employment itself. For other zero-hour contract employees it surely is one of the most effective ways to reward but the focus might be on the stability of the employment.

For the lack of previous studies on the subject it is not accurate or scientific to announce the best rewarding policies for zero-hour contract employees. The previous material and studies can be implemented to the context but the accurate information of the matter is not yet available.
4 Occupational welfare

As human research management changed over the past 50 years, so did the role of employee welfare as part of personnel management. The role of a welfare officer was to guide employees and focus on their well-being. Nowadays, when welfare and occupational wellbeing have evolved, and the personnel function has become more complex, people still expect human resource and companies to look after employees. Today’s occupational wellbeing is not only the responsibility of the personnel division but part of line managers’, supervisors’ and every employee’s job description (Foot & Hook 1999, 283-284).

This chapter introduces a five step occupational health theory by Rauramo, and connects wellbeing at work with rewarding. These concepts supports one others and act as a framework for the empirical part of the thesis.

4.1 Wellbeing at work

Occupational wellbeing is usually understood as health and safety at the workplace, a capacity to work, and managing as well as joy, happiness and the overall satisfaction of a workplace. Therefore, it is easy to confuse and combine the satisfaction and happiness of an individual. The simplest way to measure wellbeing at work is “the feeling to go to work in the morning” (Naumanen 2009, 21).

According to Rauramo (2012), work is not only a source of income but, at best, it can be a source of welfare and innovation. At worst, occupation and work can consume physical and mental health and strive employees to a burn out. The key questions concerning the consumption of one’s occupation are innovation, management, atmosphere, challenge, health and safety (8-9).

Five steps of occupational welfare

Abraham Maslow (1943) has presented a five-step theory of human motivation and hierarchy of needs that can be implemented on wellbeing in life and work. Based on
Maslow’s motivation theory, Rauramo (2012) has created a five-step model of occupational welfare. See figure 4. The model is about human needs in relation to work and occupation, and each step consists of a combination of organizational and individual goals to promote welfare at the workplace (12-14).

![Figure 4 Five steps of occupational health. (Rauramo 2012)](image)

Health is the foundation of the pyramid. According to Jabe (2010, 183-184) health consists of mental and physical wellbeing, body and soul. The way of life, habits, relationships, work and physical environment entail a holistic image of health and it is each individual’s own responsibility to promote healthy way of life.

Employee’s responsibility is to take care of own wellbeing by securing healthy habits. Diverse exercise has substantial influence of on health and the ability to work. Good nutrition promotes health, and sleep is the nutrition for brain. Employer’s
responsibility is to provide lunch/coffee breaks to ensure regular nutrition gain, flexible or regular working hours to ensure employees free-time and rest, and to arrange occupational health care for employees (Rauramo 2012, 26-40).

The second step of the pyramid is safety. In Maslow’s (1943) hierarchy of needs, safety and security is associated with safety inside a society, and psychological and moral safety. In Raaramo’s (2012) interpretation of the pyramid, safety is attached to ergonomic workstations, way of work, and stability of work (69).

In 1970 USA congress passed the Occupational Safety and Health Act “to assure so far as possible every working man and woman in the nation safe and healthful working conditions”. Occupational Health and Safety Administration was formed to set the standards and monitor working conditions (Dessler 2005, 603-604). In Finland, Finnish Institute of Occupational Health has promoted occupational welfare since 1945 (FIOH n.d.).

Safety and security of workplace is both employees’ and employer’s responsibility. Employer must ensure that conditions of workplace exceed legal regulations and laws and secure mental and physical immunity of employees’. Plans for emergency situations, equality among employees, reporting incidents and suggestions among ergonomic environment must be taken in consideration. It is also suggested to have a total occupational health plan in workplace for employees to see. Employees’ responsibility is to follow given guidelines and safety instructions, promote health and ability to work and actively take part in planning and improving safety and security in workplace (Rauramo 2012, 70-102).

The third step of the pyramid, community, is about relations on workplace, networking and happiness in workplace. According to Jabe (2010) occupational health is a matter to be considered in management. The feeling of community is reflected from efficient communication and acceptance of individuals. Management ought to take notice of mistakes and criticism in a supportive and communal manner without pointing a finger towards an employee. Neutral approach and efficient communication to both everyday tasks and “the bigger picture” aspires towards community in workplace (244-245).
On Rauramo’s (2012) interpretation of the pyramid employee’s responsibility towards community is to take part on organizations actions, maintain professional knowledge, communicate efficiently with other peers’ and management and take responsibility of mutual goals. Employer and management habits are a key towards community in workplace. It is a responsibility for the employer to provide a forum or a place to network, to develop and train employees and to organize or provide tools for recreational gatherings to improve community and motivation of workplace. Fair and neutral communication and appreciation towards employees reflects directly on welfare and atmosphere of workplace (103-121).

Appreciation among co-workers, superior and social environment reflects on self-image and work. Gaining respect requires professional competent and for an employee to use knowledge, appreciation and trust is needed (ibid., 124). Performance appraisal and compliments is the most effective way to show appreciation towards employee (Foot & Hook, 227-228).

According to Rauramo (2012) for the fourth step of the pyramid, appreciation, to come true employer must take notice on rewarding employees. Performance appraisal, benefits, compliments and “personnel of the month” – type of rewards are good examples of showing appreciation towards employees. It needs to be taken in notice to show appreciation, support and good manners as well as communication to both employee and employer. And in order to gain trust and appreciation one must prove to be worthy of the acknowledgment (123-143).

Tip of the pyramid is knowledge, or in Maslow’s pyramid, self-actualization. This level of pyramid is about reaching one’s full potential and developing knowledge. A person should aim to succeed, aim for passion and exceed own limits, find new talents and intellectual challenges (ibid., 145).

Professional growth and career development are ways for employer to support employee’s knowledge. Different educational programs, seminars or degrees are employer’s responsibility to offer. Career planning to engage personnel to organizations and show appreciation in long distance is a tool to recognize and develop knowledge (Kauhanen 2010, 98-101).
Rauramo (2012) states the role employee’s own interest towards development, knowledge and self-actualization. Employee must show basic skills of working life such as social skills, teamwork, learning and innovation in order to succeed. Employee’s responsibility is to plan and develop own knowledge and show interest towards environment, way of work and organization to able and promote wellbeing and profitability of workplace (146-169).

Organization’s wellbeing is dependent on good leadership, and employees are every organizations substantial resource. Employees’ occupational health is therefore important to both organization’s profitability and motivation to work. Human resources and wellbeing in workplace are a priority to organizations success (Niiranen 2007, 46).

4.2 Rewarding as a part of wellbeing at work

Rewarding promotes occupational health of individuals and organizations, and different methods to promote wellbeing are easy to connect with reward management. These two management tools are therefore strongly linked to each other.

The effort employer and organization puts into occupational health and different methods to improve welfare in workplace is returned with interests. According to Finnish Institute of Occupational Health (2014) actions to promote occupational health generate direct and indirect financial profitability’s in organizations. The input can be seen with motivated personnel, profitability of an employee and overall productivity increase.

Well-functioning rewarding management supports employees’ occupational health. Organized work, briefing into work, mutual goals and clear expectations are requirements for rewarding work environment (Rantamäki et al. 2006, 33-34).

Lappalainen (2013), according to Marjala (2009) writes about promoting occupational health through rewarding policies. The original study on experiences about wellbeing at work shows the significance of both monetary and non-monetary
reward’s impact on employee’s experience. Satisfactory wage level and regular working hours were seen as sources of occupational health but the most important factors were quality and content of work. Respondents also felt appreciation, feedback and good managerial skills to have a positive impact on motivation and wellbeing (25-26).

Different rewards have an impact on workplaces. On individual level they influence on motivation and occupational health. The most important influence is increase in motivation towards work. In addition to motivation, rewarding has an impact on subjective feeling of appreciation, receiving feedback and financial meaning. Study show rewarding to have more positive than negative impact on individual. (Niiranen 2007, 46)

5 Research

The thesis process began in autumn 2014 with the original idea for the study. The topic and the theoretical framework was formed around HRM. The empirical framework was built with the case company, together with the author and the supervisor of the company. The thesis was completed in April 2015 with the latest theoretical information available about zero-hour contracts in Finland and theme interviews with the case company.

5.1 Qualitative research

According to Hirsijärvi and others (2004) the basics of qualitative research is explaining and opening real life, and the subject studied is aimed to survey on a comprehensive matter. The aim of qualitative research is to find and reveal the truth. The characteristics of a qualitative research is to find the research problems of the study and how to find answers to those problems (151-160).
In qualitative analysis the material is studied as a whole and it is thought to open up a structure if the logical holistic picture. The phases of qualitative research are defining and studying the observation and solving the problems (Alasuutari 1995, 40-50).

Different methods for qualitative research are observation of the phenomenon, different interview methods, case studies, written material and different type of research based on action (Kananen 2008, 68-81).

For the holistic understanding of the phenomenon studied and the amount of employees of the case company, qualitative research was chosen as the best possible research method. The methods were the research was conducted were chosen as theme interviews as a main research method and observation as a secondary research method.

Kananen (2008, 35) writes about the research methods of a new phenomenon. According to the author, qualitative research method is suitable for studying a subject yet untouched. Therefore qualitative research method is the most suitable opinion for this thesis and abeles to reach a full understanding of the topic studied.

5.2 Data collection

The qualitative research methods were chosen to be observation and interviews for both employer and employees, emphasizing on the interviews. The data collection began unofficially in autumn 2014 while visiting the case company of this thesis. The author began to observe and take notice of direct rewarding policies in the company for a better understanding of the policies and actions. The main data collection, interviews, were conducted in winter and spring 2015.

**Interviews**

According to Hirsjärvi and others (2004) Robson (1995) has stated that while studying people, it is an advantage to study and learn from the people themselves. Interview is a unique method for the direct lingual communication of the replicates. Interviews are also a flexible and can be specified and altered at the research
moment. For the current status of the topic regarding the zero-hour contracts interviews is the best way to receive answers and clarify the questions if needed (193-195).

Interview as a data collection method is not only positive and flexible method but also be felt as negative. It is a method that takes time and effort. The interviews and planning takes a lot of time and the questions needs to be planned carefully. Some interviewees may feel social pressure and answer in a polite way so that they would appear as good and loyal employees who stay silent when addressing for example issues in the work place (ibid., 195-197). For getting the right information and truthful answers the data collection for this thesis was conducted anonymously and only the writer had the ability to connect the replicate to the answer.

Interviews are normally divided from extremely structured interviews, where previously formed questions are presented in a certain order, to completely open interviews where the interviewer has only a topic to be discussed. Theme interview, which was chosen as the interview method for this thesis, is the most widely used interview type. During a theme interview the interviewee asks questions or opens up a topic and the two parties of the interview can discuss the topic freely without a certain structure and order of the questions. Theme interview is a flexible interview type that allows to go deeper into the topic with assisting questions (Hirsijärvi et al. 2004, 195-199).

The interviewees were employees of the case company working under zero-hour contract, one full-time employee and the supervisor of the company. From the 12 employees of the company, five are working under zero-hour contract. For the understanding the differences between full-time employees’ and zero-hour contract employees’ engagements and feelings, one replicate presenting full-time employees was also chosen to be interviewed.

The interviews were conducted as individual interviews in winter/spring 2015. According to Hirsijärvi and others (2004) Grönfors (1982) stated in his study the interviewees to be more natural and open when more people were present at the interview situation (199). Therefore the writer send the themes of the study for the employees to be discussed in groups before the interview if wanted.
The first theme of the interview with the employee discussed the current status of rewarding and occupational health in the workplace, focusing on the elements opened in the theoretical part of the thesis. The second theme of the interview was to find out each employers’ “dream workplace” discussing the same elements previously mentioned. Other themes were the employees’ values and the meaning of rewarding and its impact on own work and motivation.

The interview with the employers emphasized on the employers believes and assumptions on how issues concerning rewarding and occupational health were addressed in the workplace. During the interviews there were also discussions about the employers own actions to promote occupational health through rewarding, employers’ values and beliefs, and desires towards rewarding.

The interviews for the employees were successful and useful data and information was gathered by interviews and following interviews later while analyzing the results. The addiction of the full-time employee to the interview group revealed useful information about the differences of occupational health and desires and wishes of the employers. The anonymous type of the interviewees allowed truthful data from the employees. The employer was interviewed multiple times in winter/spring 2015 and the co-operation was successful.
Observation

Hirsiärvi and others (2004) write that interviews and surveys allows to knowledge the thoughts and believes of people but they may lack the truth of what is really happening. Observation allows to study whether people act the way they tell they do. Uusitalo (1995) specifies that observations is spying. It is a common and necessary tool for scientific study (201-202).

Observation allows direct information about the behavior and function to the topic studied. It is a valid method for studying communication and situations that change (ibid., 202-203). For its suitability to study the topic of this thesis for direct answers and behavior, observation was chosen as a part of data collection method.

There are different types of observation; systematic observation and participating observation. Systematic observation is usually conducted in closed areas with an outsider to observe the subjects, for example classrooms or laboratories. The observant records the findings and does not form a relationship with the subjects. The other method of observation is participating method where the observatory may be a complete member of the group. Participating observations are usually conducted as field studies and the subjects are observed within inside the group (ibid., 203-205).

The observation method used in this thesis was a combination of the two previously mentioned types. The observation took place when visiting the case company, first as a systematic approach by observing the behavior of the employees and employer, and later as participating observation, when a sort of relationship was formed with the subjects. This type of data collection method was useful to recognize the issues addressed in the interviews as well as to observe the truthfulness of the replicates.
5.3 Data analysis

The principle of the qualitative analysis is absolute observation. Rules are formulated and conclusions drawn up to meet the entire data. The conclusions are to be drawn based on single observations (Alasuutari 1995, 191).

According to Hirsijärvi and others (2004), analysis, interpretation and conclusions are the core principles. For being able to make conclusions based on the empirical part of the study, the material must be analyzed (209-210). In this thesis, the first step of analyzing the results of the interviews was to transcribe the interviews.

After transcribing the interviews, the results were analyzed according to the themes discussed in the interviews. A quantitative analysis method was used to calculate the similarity of certain core ideas to the answers found in the interviews. The results of the analysis were, in this study, divided under the themes of the interview and re-divided accordingly to the results. The results formed their own groups which allowed the writer to interpret the results and find the key results to answer the research question. The results themselves were not precisely what was expected and differed from the previous thoughts and assumptions of the author.

The interpretation process aims to confirm the results of the analysis to the theoretical framework. This stage of the study allows the writer to explain and interpret the results. New research problems may occur at this stage of the study and more interviews or another research method may be needed (Hirsijärvi et al 2004, 213-214).

The analysis and interpretation themselves are not enough to explain the results of the study but the synthesis ought to be made according to the results. A synthesis combines the key elements of the study and give answers to the research problems. The conclusions of the thesis are based on the composed synthesis (ibid., 214-215).

The synthesis of this thesis was surprisingly easy to formulate based on the results of the interview. As mentioned before, the results were not exactly as expected but they still had a certain pattern and similarity. Therefore, addressing the issues that needed to be focused in the conclusion were easy to discover.
5.4 Reliability and validity of the thesis

Avoiding mistakes in studies is a goal but in the process the reliability and validity of the results may vary. Reliability of a study means the repeatability of the result of a study, ability to give results that are not random. Validity means the accuracy of the result. Reliability and validity may be interpreted in different ways in qualitative research, since the terms have been connected to quantitative research. The concept of validity is unclear when conducted in qualitative study, researchers comment a study concerning human actions to be unique. In a qualitative research the focus should be on the explanation. Does the explanation fit the description and is the description valid (Hirsjärvi et al. 2004, 216-217)?

When defining reliability in a qualitative research the data collection plays a meaningful role. Analyzing the results and the right interpretation is important to maintain the study’s reliability (ibid., 217-218). In this thesis the results of the study were analyzed carefully and interpreted in a truthful matter. To add the reliability the writer had other persons to read the result for the best possible outcome. Following interviews for the case company’s employees and employer were conducted to able the most truthful answers and results. All the interviewers’ shared the interpretation on their answers and other readers of the results came to the same conclusion.

The results of this thesis cannot be compared to previous studies for the lack of one. Studies of rewarding as a part of occupational health may show different results for the rewarding methods to support occupational wellbeing for their different target group. Thus, one of the reasons to add a full-time employee to the interview group added the value of the results. The employment type of an employee does influence on the results of the study.

When looking into the reliability and validity of this thesis, I trust the results of the study. For the research method of this thesis he results cannot be implemented on every other company and other zero-hour employees, but it gives a holistic picture and deeper understanding to zero-hour contract employees’ appreciation. I believe the study and the final product could be implemented on other companies using
zero-hour contract employees in the restaurant industry. Therefore the thesis is reliable and valid.

6 Results

Assumptions based on previous studies on rewarding and their impact on occupational health, and the author's own experience of working under a zero-hour contract, were not completely what the results of the interviews revealed. One of the main assumptions concerning the rewarding policies was the themes that the employees felt as the most effective ones. The results of the interviews differ from those of the previous studies though the target group was different in this study.

Based on observations while visiting the company, the rewarding policies of the case company were already on the right track although needing a little help to get to the best possible solution to improve the occupational health of employees. The employer took notice of the employees and spontaneous rewarding and feedback was given at everyday situations. The results of the interview supported this assumption and observations.

The interview itself was made up of two parts. The first part focused on finding out the current state of the company on both employees and employers mindset. The second part of the interview examines the “dream environment to work” and ideal scenarios for rewarding. The results of the interviews are also divided accordingly.

6.1 Background information

The interviewees of this study are all employees of the case company. Of the five employees working under a zero-hour contract, four were reached to be the interviewees for this study. For the anonymous nature of this study these interviewees have been categorized as interviewee A, B, C and D. An additional interviewee from among the full-time employees was added to the interview group for the best possible data acquisition and comparing the effect of an employment
type on the expectations of the employees. This interviewee is later on describes as interviewee E. The employer or the supervisor of the case company was also interviewed. The owner of the company was not interested in participating in this study personally.

The first questions to open up the interview with the employees dealt with the employment type and the hours worked. This was to ensure the right data for the study, to see whether the employment type had an effect on a subject’s answers. Interviewees A, B C and D said that they worked from 0-15 hours a week, more on holidays and when necessary. The first part of the interview also included the reason for this type of an employment. All the four respondents worked under a zero-hour contract of their own will since it suited best for their lifestyle. Interviewee E’s working hours varied from 25 to 35 hours a week, sometimes more. See demographic profiles on figure 5.

![Figure 5 Demographic profile of the employees (Interviews 2014-2015)](image_url)
6.2 Current state of the case company

The respondents were requested to explain and clarify the current state of the company by the themes of the interview. This stage was composed to find out the current state of the rewarding policies by both observation and interviews. In this part of the interview the respondents were asked to open up themes about rewarding and occupational health in the company that are already discussed in the theoretical framework of this thesis. The theme about rewarding opened up secondary themes about benefits, working hours and flexibility, stability, feedback, professional growth and supervisor. The theme about occupational health focused on health and safety, community, knowledge and professional growth, and supervisor.

This chapter discusses the results of the interview by first examining the employees’ answers together and ending to the employer’s answers. This was chosen for the reader to examine the answers separately, clarifying the text. The findings from the observations are explained at the end of the chapter.

**Rewarding**

The respondents’ answers concerning rewarding were mostly unified, focusing on the same issues. Interviewees B, C and D had not received enough information about health-care benefits in the company, though interviewee A informed to have received all necessary information. The issues on health-care concerned the usage of health-care services that are provided for the company. Interviewee E, the employee working full-time stated the same issues. According to the respondent, “some of my co-workers have tried to go to the doctor, but there were no information about the employee on the client list. This is understandable with a relatively new company, but after five months from opening this should be taken care of” (interviewee E 2015).

Other comments concerning benefits were company parties and gatherings, and “red letter days”. All respondents informed willingness to communicate and interact with co-workers outside the company. Interviewee A and E stated the supervisor’s
actions on special days such as birthdays. According to respondents, the employees received sweets and other gifts from the employer.

The theme concerning working hours, flexibility and stability of work received positive answers from all respondents. All employees felt that free-time was arranged whenever needed, and other members of the staff including the supervisor were flexible and able to help another. Some issues concerning the stability of the workplace occurred with the amount of working hours over the summer, but the respondents were positive and trusting towards the company and the supervisor.

All respondents, except interviewee A, felt there were not enough feedback and performance appraisals within the company. According to one interviewee B “direct oral feedback is given sometimes but it would be nice to sit down and discuss about the work” (interviewee B 2014). Constructive criticism was given when it was necessary at the situation or afterwards. Interviewee E working stated to give feedback to co-workers when needed, the situations were “basic laziness” of a co-worker. The same respondent had hopes for professional growth and more responsibilities as an employee.

The secondary team that received the most positive comments were the actions of the supervisor. All employees interviewed felt that the supervisor supports the employees and is interested in their wellbeing. All replicates stated to appreciate their supervisor and felt appreciated by the supervisor. One replicate said the employer to be “too nice to employees, which leads to disrespect and overstepping from some employees” (Interviewee E 2014).

The employer commented to have used the health-care services provided for the company. The respondent had the same desire as the employees, to organize and participate in company parties, since it would bring joy to the community. According to the employer (interview 2015) there has been “a lot of talk, less action” concerning the parties.

On the supervisors behalf the working hours are made accordingly to employees’ hopes and wishes. The replicate appreciated the flexibility of employees, concerning the working hours.
The employer has plans to hold performance appraisals and a group meeting to discuss the current issues of the company. At the time of the interviews, feedback from the supervisor was only oral. The respondent felt that giving constructive criticism was difficult and did not come naturally but sometimes, when needed, necessary.

The supervisor informed in the interview to have participated in supervisor trainings provided by the company and the trade union. These trainings helped the respondent to understand the responsibilities of a supervisor and act in a professional matter. The respondent “desires to be the best supervisor possible” (interview 2015).

**Occupational health**

The issues concentrated varied between the respondents when asked about occupational health in the workplace. The safety and security theme opened up issues about ergonomics on the workplace. Interviewee C hoped for better equipment to provide the best possible ergonomics while working, others focused on the safety issues. Since the company operates within the supermarket premises, a security guard is always available if needed. According to interviewee C, this promotes the feeling of safety in the workplace (Interviewee C 2015).

The issues concerning knowledge and professional growth did not come up as negative or positive. All respondents felt to be equal in daily tasks and know their own responsibilities. Respondents B, D and E hoped for possibilities for professional growth and tasks that would require more responsibility. Interviewees A and D felt the introduction to the job to be insufficient.

When discussed about supervisor’s actions concerning occupational health all respondents felt extremely positive about their employer. The positive support and appreciation of the supervisor reflects positively on their work and productivity. The replicates also appreciated the honesty of the supervisor. According to interviewee A “the supervisor does not complain over little things, which is appreciated” (interviewee A 2014).
Theme about community brought up a lot of comments from the respondents. All employees felt the communication channel, Facebook, to be an effective way to reach co-workers. Interviewees B and E felt that some of the members of the working community did not participate the same level as others. This shows in the work, the amount of commitment and in the information channel. The respondents felt dissatisfied that some employees did not work as hard as others or take part in important conversations concerning the workplace.

While interviewing the supervisor, the same issues concerning ergonomics and safety issues emerged. The supervisor agrees with the employees for improving ergonomics of certain working stations. The supervisor also commented to feel more secure on the workplace knowing the supermarket’s guards are always present in the building.

Facebook group was appointed as a useful and efficient way of communication in the workplace. Due to working hours of the supervisor, face to face communication is not possible at all times and therefore the supervisor felt the Facebook groups to work as an efficient forum. The supervisor had not taken notice of the participation of some employees but believed the message to get through.

The respondent discussed about the supervisor’s own the role in the community. The respondent took part in conversations on the workplace and participated in actions. The supervisor did not want to appear as a “grouch boss” (interview 2015).

**Observation**

By observing the working environment the author noticed positive feedback and atmosphere on the workplace. The supervisor was encouraging among employees and was sincerely interested in their lives. As interviewee E stated the supervisor being too nice, the author also noticed situations where the toughness and firm guidance from supervisor would have been appreciated. During the observation it occurred that the employer is respectful towards employees, gives compliments of work well done and encourages employees.

As the communication inside the workplace, the usage of Facebook, as the author was connected to the case company’s Facebook group, was proven efficient. All
necessary information was posted through this channel, from customer feedbacks to current information. The employer also posted working schedules through this forum. Some employees took part on the conversations on Facebook actively, some did not participate at all.

The author did not take notice of the ergonomics until the interviewees pointed it out. By observation, some of the working stations did not seem ergonomic for all. Though in these types of companies where the stations are used by all employees, the station cannot be as ergonomic to everyone as possible.

6.3 Dream workplace

The current state of the case company is mostly positive and there are not any grand issues concerning the rewarding and occupational health policies. As in every company and organization, there are always ways to improve the actions. This chapter discusses the hopes and wishes of the employees in the case company. The themes and the results are presented in the same way as above, focusing on the dream situation of the abovementioned themes in the workplace. The effect of the employment type occurred when discussed of the hopes and effectiveness of each theme.

**Rewarding**

The issues concerning health care was stated by interviewee E. Health-care services was emphasized as the most important one on the rewarding theme. The respondent hoped for more trust from the case company. “*If the service of health-care was unable to be reached, the employer should be able to give a day or two of sick-leave without a doctor’s note*” (interviewee E 2015).

Interviewees A, B, C and D hoped for interaction with other employees outside the workplace. The interviewees commented on parties and gatherings to have a positive impact on their motivation and include them more to the company and co-workers. A possibility of “activity/exercise coupon” was mentioned by interviewee B.
All employees, except for interviewee A hoped for more feedback. A face-to-face group meeting once a month and annual performance appraisals were discussed. The employees’ felt that it would be for the company’s best interest to hold performance appraisals and annual meetings for the employer to stay on top of the situation and for the employees to know and reach possible development points.

For the theme of professional growth, interviewee E hoped for a shift manager to be named. This would help the daily processes of the company and in case the manager was absent, there would be a person in charge. Interviewees A, B, C, and D did not emphasize the assigning of a shift-manager but mentioned it to be helpful. Instead the employees hoped for a trustee to be chosen among the employees. Interviewee B hoped for more responsible tasks around the company for improving motivation and allowing professional growth. Interviewees A, B, C and D discussed about the introduction to work and hoped for more sufficient introduction.

Working hours and flexibility was not emphasized by the interviewees. All respondents were content on the current state of the company.

When asked about the most efficient ways to reward interviewees A, B, C and D emphasized and focused on the communication and information in the workplace. “If you don’t know what to do you cannot do right” (interviewee D 2014).

Interviewee E felt feedback and flexibility of working hours to motivate the respondent as well as well functioning health-care services. To all respondents rewarding communicates from “work well done “and appreciation from the employer.

According to the supervisor, the lack of resources are a fundamental issue concerning the company parties. Finding the proper time to suit for everybody’s calendar and financing the gathering are forming as the main issues. Nevertheless the supervisor had ideas and desires for company parties in the near future (interview 2014).

The supervisor have intentions to hold a meeting for the entire staff of the company and meet all employees privately to discuss about the work and issues to develop. This type of meeting would also provide a forum to discuss the customer feedbacks and develop company’s processes. The supervisor has had some experience of
rewarding an “employee of the month” but feels the title unnecessary. “Of course it is nice to reward someone but what if you never win the title - that could make you feel sad” (Interview 2015).

The supervisor discussed the difficulties of “leaving work at the workplace” (interview 2014). Therefore the supervisor shared the employees’ views that a shift manager would help the supervisor to separate free-time from work.

On rewarding employees, the supervisor also said to thank employees from good work and the positive feedback was normally oral and given in private. The supervisor strives to motivate employees and create a good atmosphere in the workplace. Occasionally an employee rises to great results and the supervisor strives to reward such employees by oral feedback or monetary rewards, such as sweets and pastries.

**Occupational health**

Employees had different views of occupational health. On health and safety issues interviewee C hoped for more ergonomic working environment, such as cleaning supplies and tools. Other employees (interviewees A, D and E) focused on nutrition benefit of the workplace; all employees does not want to eat the company’s products and hoped for an alternative solution. Interviewee B proposed an alternative for the company’s gym membership, such as group exercise or coupons.

The supervisor had a desire to concentrate on the ergonomics on the workplace.

Community as a theme turned out to be the most controversial topic. Interviewees A, B, C and D, the employees working under a zero-hour contract had hopes for more sufficient introduction to work. Both employees and supervisor should take part on the introduction and compose a proper guide for introducing and teaching new employees to the company. Interviewees B, C and D hoped also for a more sufficient communication. Facebook group was a good forum for communication but all employees may not participate in the conversation and therefore are unaware of news and other issues in the company. Interviewee E, working as a full-time employee, responded to wanting equality among co-workers. The respondent reported the dream scenario to be:
“a situation when you know everyone is doing their best and being on the same level, not hiding from responsibilities or hanging in the back room checking their phones and talking about others behind their backs” (interview E 2015).

According to the respondent, equality would promote the employee’s occupational health. Professional growth followed the same themes as opened with the community. All respondents hoped for a proper introduction to the work and possibilities to develop knowledge by organizing educational day’s and courses for the employees. The possibility for more responsibility and a desire to work as a shift manager was discussed by two respondents, interviewee E and B.

All the respondents showed appreciation towards the supervisor who was said to encourage and support all the employees equally. No suggestions for improvement was necessary on supervisor’s actions.

When discussed about the importance of occupational health all respondents felt the subject extremely important. Whether a company were not to take part in employees’ occupational health, motivation towards the work would disappear. On the themes discussed above, interviewees A, B, C and D emphasized on the community and appreciation among the co-workers and the supervisor. Interviewee E felt the actions of the supervisor to support ones work best, together with the equality among co-workers.

The supervisor’s thought were unified with the employees’. The respondent desired more education and courses to develop employees’ knowledge and support professional growth.

7 Conclusion

This section of the study concludes the main issues and points found in the research about the rewarding policies of the case company based on the interviewees’ answers. This part strives to answer the research question, what kind of rewarding improves the occupational health of zero-hour contract employees, by examining the themes discussed in the interviews, and finally, suggests improvements to the case company’s rewarding policies.
When analyzing and opening up the results of the interview, it became clear that the employment type has an effect on the commitment and desires of the employees. A full-time employee focused on equality, professional growth and flexibility of the work. The actions and support of the supervisor were also felt important whereas zero-hour employees were more interested in communication and community. Professional growth was also discussed with zero-hour contract employees but issues that had a direct influence on an employee’s commitment to the company were emphasized in the interviews.

The analysis of the results revealed that actions supporting the feeling of being part of a community have the most impact on the occupational health of zero-hour employees. All respondents told about their desire to take part in company gatherings. Information about the current issues of the company also emerged as one of the main issues discussed with the respondents. Benefits, such as health-care and a gym membership were discussed but the zero-hour contract employees did not emphasize those rewarding methods.

The rewarding methods to support occupational health were communication and the feeling of community, being part of a one. The current data about the company and its issues should be easy to find and reached by employees, and the matters discussed at the workplace should be in “black and white”, accessible for all the employees at any time. Supervisor and the co-workers play a meaningful role in committing zero-hour employees to the community. If the supervisor and co-workers are interested in an employee’s personal life and emotions, the employee feels to be part of the community.

Proper introduction to the work also has an influence on the emotional commitment to the company. Arranging a sufficient introduction for a zero-hour employee may be challenging but is seen as one of the most influential ways to reward an employee.

Since none of the interviewees discussed or showed an interest to discuss monetary rewarding and salary as a rewarding method it is safe to assume that non-monetary rewarding, such as an introduction to work, communication within the workplace and forums, and taking interest in an employee’s and the co-workers actions are the
most effective ways to improve and influence zero-hour contract employees’ occupational health.

7.1 Suggestions for improvements

According to the applicants, the lack of proper feedback is limiting the work. Direct oral feedback is given by the supervisor, but no group meetings or performance appraisal has been organized. A way to improve the process of giving feedback would be regular performance appraisals to investigate each employee’s weaknesses and strengths and find solutions to work on those. Monthly group meetings would also improve the awareness of current issues in the workplace and provide a forum to discuss issues on the workplace. This group meeting would also be a forum to discuss about customer feedback and reward employees.

As Rantamäki and others (2006, 70-72) have written, positive feedback encourages employees to work towards organizations values and should be given in public, the supervisor of the case company could give positive oral feedback in these group meetings to employee’s that has performed well in their work. This would encourage other employees to work towards mutual goals.

When discussing about occupational health and equality among employees, one way to promote occupational health would be to organize a “health day” among employees. During this day employees could participate in group activities that would include making common “ground rules and virtues” for workplace. These virtues could entail assistance, service and enthusiasm as well as other virtues that would promote health and motivation of employees. The ground rules could be simple guides to cope through the day, which would promote equality.

The common virtues could be divided in theme months or a three month period and after each period a reward could be given. Since the employer had negative experiences of the “employee of the month” –policy, the rewarded employee could be voted together with the employees and the reward given to the employee who worked best within the guidelines of the theme. For example, a theme for the period could be enthusiasm and the most enthusiastic employee could be voted together
with the employee’s. The reward itself does not need to be monetary but simply a title of being the most enthusiastic employee. This type of action would create the feeling of community and encourage employees to monitor their own actions.

By following the interviewee’s wishes employee parties and gathering would motivate employees and reward for good work. With the current economic situation of organizations, as the employer stated, financial resources are somewhat lacking. Therefore a suggestion for employees’ gatherings would be to organize an event cost efficiently. A dinner for the entire staff is surely expensive, but the employer could suggest a self-paid event. This type of action could increase the feeling of community and improve wellbeing on workplace but would not require assets from the company.

There are many types of actions companies could use to improve occupational health of employees by rewarding, these are just a few examples. The key to a functioning organization is to appreciate its core, the employees. With a good supervisor that strives to motivate and appreciate employees and shows it, every organization can exceed all expectations.
7.2 Discussion

Based on the interviews and previous studies on the subject, rewarding has an impact on occupational health. This study focused on finding the elements and rewarding methods to positively affect the occupational health of zero-hour contract employees in the case company. With different themes focusing on rewarding and occupational health as well as the employment type, the research question was answered. Due to the lacking previous studies about zero-hour contract employees in the occupational health context, the results could not have been predicted, and as the study shows, they cannot be directly cited from the previous studies on rewarding and occupational health.

The objectives of this thesis were to answer the research question and to provide the case company with ideas and tips on how to promote zero-hour employees' occupational health through different rewarding policies. The conclusion of this thesis summons the result, answers the research question and suggest improvements for the company to use.

Research limitations

The research limitation occurred during the interviews when the demographic distance between the case company and the writer grew. Due to the distance some of the follow up interviews were conducted via e-mail and phone. This could have possibly lead to insufficient answers from the replicates. Luckily the time was found and all the answers and following questions were able to commit.

Another limitation with the study was time as a resource. The writer had an idea to execute a conversation café or a workshop as one of the research method for this thesis. In the workshops the employees could have discussed the issues as teams and come up with suggestions for workplace. Another workshop could have concentrated on the common virtues of the workplace.

A limitation on the research process occurred when the interviewees felt a social pressure to answer politely and in a discrete manner. Due to this limitation the interviews were conducted in private and anonymously. With this alternation to the
data collection process the replicates felt safe to answer truthfully to the interview questions.

For this study being a qualitative research, reliability and validity of this thesis may not be accurate and the results cannot be repeated.

7.3 Suggestions for further studies

Since this thesis was the first to study the occupational health of zero-hour contract employees, the field of further studies is immense. Because the subject a zero-hour employee is relatively new in the labor market, the number of studies to be conducted in the near future is expanding. For a suggestion as a further study would be to hold communication café’s and workshops in a case company to discuss and activate employees and employers in the field of rewarding and occupational health.

Another field of study concerning zero-hour contracts could be how to increase the motivation or commitment of zero-hour contract employees. This type of study would require a different theoretical framework but it could be combined with the theory and results of this thesis.
References


http://operaatiovakiduuni.fi/


Appendices

Appendix 1.

Interview with the employees

Describe your employment type, hours worked and the reason you work under this type of contract.

Describe the current situation of the following themes. How these themes are composed in your workplace and how they are implemented.

Then describe the dream situation of these themes. In an ideal workplace, how these themes would be implemented.

Rewarding:

Benefits
Work and working hours
Feedback
Knowledge and professional growth
Supervisor

Which of these abovementioned themes would you put emphasize on?

What kind of rewarding supports your occupational health?

What does rewarding communicate to you?

Describe the current situation of the following themes. How these themes are composed in your workplace and how they are implemented.

Then describe the dream situation of these themes. In an ideal workplace, how these themes would be implemented.

Occupational health:

Health and safety
Community and appreciation
Knowledge and professional growth
Supervisor

Which of these abovementioned themes would you put emphasize on?

How important do you feel occupational health issues and how are implemented on your workplace?
Appendix 2.

Interview with the employer

Describe the current situation of the following themes. How these themes are composed in your workplace and how they are implemented. Discuss how you can have an effect on these themes with your own behavior.

Then describe the dream situation of these themes. In an ideal workplace, how these themes would be implemented, again discussing also your own actions?

Rewarding:

Benefits
Work and working hours
Feedback
Knowledge and professional growth
Supervisor

Who is rewarded, from what and in what kind of situations?
Who would you like to reward, from what and how?
What do you strive to communicate through rewarding?
What rewarding communicates to you?

Describe the current situation of the following themes. How these themes are composed in your workplace and how they are implemented. Discuss how you can have an effect on these themes with your own behavior.

Then describe the dream situation of these themes. In an ideal workplace, how these themes would be implemented. Discuss also how you would like to act on these themes.

Occupational health:

Health and safety
Community and appreciation
Knowledge and professional growth
Supervisor

How much do you emphasize on occupational health in your workplace and how?
How important do you feel occupational health of yourself and your employees?