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How to motivate and participate personnel in change management
-CASE Plan International Finland
Abstract
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How to motivate and participate personnel in change management, Case Plan International Finland, 39 pages, 1 appendix
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The purpose of the thesis was to examine change management, people motivation and participation. Additionally, it studies organisation culture, especially in non-profit organisations, and how the organisation culture in non-profit organisations differ from other organisation cultures. The purpose of this study was to understand these topics especially from the employees’ point of view in case Plan International Finland.

The aim of the empirical part in the thesis was to get more insight on how the people in the organisation experienced the change that happened, about the way change management and communication were handled, how the employees were participated, how they were motivated, and how they see their own organisation culture versus other cultures in change management. In order to get the most insight and understand more what the employees thought, it was chosen to interview the personnel with the qualitative method and with semi-structured questions. This way the answers possibly told more than just a questionnaire and discussion was as free as possible.

The results of the study show that the organisation change itself went well and was seen positively by the interviewees. They felt there is possibly too much participation and too many internal meetings at the moment, which takes time away from their actual work. As a result of the leadership model, communication and cooperation have improved, but also brought some new hindrances. The majority of the interviewees felt there had been too many changes. According to the study, the organisation culture at Plan International Finland respects values (such as democracy and equality). The personnel is very committed, motivated, and encouraged for open discussions. Based on the findings it was recommended to find more balance related to participation and internal meetings. It was also suggested to develop weekly meetings and to share team activities. Also the pace of change should be carefully considered.

Keywords: Change Management, Organisation Culture, Motivation
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1 Introduction

The purpose of this master's thesis is to study the impact of the changes of Plan International Finland's leadership model on personnel and organisation culture. How to participate and motivate personnel about the coming change before and during the change was also studied. The purpose is also to learn what could be done differently (if any) in Plan International Finland’s change management.

1.1 Research background and significance

The reason for choosing this topic is the author's interest in change management and especially from employees’ perspective. Nowadays all organisations (companies and non-profit organisations) are going through different kinds of bigger and smaller changes from IT changes to organisation changes. Some of these have been successes and some of these could have gone better. The Author has been participating and leading several change management projects during her career and was interested to study the topic more. As employees are key to the success of the whole change management, it was also more interesting to the author to study the topic from the employees’ point of view (than leaders’).

The organisation Plan International Finland was also chosen due to the author’s interest in non-profit organisations in this specific field. The Author is not part of the personnel of Plan International Finland nor other similar organisations in Finland, and wanted to get acquainted with the field.

There are several studies conducted about change management during the last decades. They are mostly focusing on the topic from leaders’ perspective and often discuss the background; why certain change project was chosen and how it is planned to be implemented. Thus it was interesting to the author to change the perspective from the leaders’ point of view to the personnel’s perspective, and examine what makes employees interested in the coming change, willingness to the change and how does the whole project seems from their perspective. This has not been studied much.
1.2 Objectives of the study

The aim of this study is to describe change management, people motivation and participation. Additionally, the research examines organisation culture, especially in non-profit organisations; and how the organisation culture in non-profit organisations differs from other organisation cultures. The purpose of this study is to understand these topics especially from the employees’ point of view.

1.3 Delimitations of the study

The study is not focusing on:

1. Total change management and how companies and their leaders decide what changes are needed, how strategy work is done or how the change management is planned to be implemented.
2. Leaders' view on the transition of the change management project, and evaluation of it.
3. All the changes made during the recent years and coming changes in the future in Plan International Finland. The study focuses only on leadership model change and its implementation and impact on Plan International Finland and how the change management was conducted in order to learn the lessons before next changes.
4. Other organisations than Plan International Finland.

1.4 Research questions

The main research question is "What could Plan International Finland do to improve in change management to motivate and participate their personnel more?"

Research subquestions are:

- "What are the factors impacting on the personnel’s feelings and motivation during the change?"
- "What could the organisation do differently in the personnel’s opinion?"
1.5 Structure of the study

This master's thesis is divided into two parts. The first part is about the theoretical framework around change management, organisation culture, engagement and employees' involvement. The main researcher of change management is John P. Kotter who has been the leading author in this field for decades. Other authors, such as Edgar H. Schein and Daniel H. Pink, and their excellence are also known in these specific areas. Also several other authors were used to study the topics. In addition, the theoretical part will also explains how non profit organisations differ from other organisations.

The second part of the study is the empirical part. This part begins with more information about the case organisation and background for the change management at Plan International Finland. It continues about how the empirical research was done by the author in the case organisation. That is followed by the results and analysis of the empirical research.

2 Theoretical part

The theoretical part of this master’s thesis comprises topics from change management to organisation culture and motivation. The majority of the framework is from top authors in their own field, but also work from researchers and the world’s top business leaders.

2.1 Change management

Organisations are never ready. If an organisation stops to developing itself it is like an athlete who stops practicing. Big change efforts have helped some organisations adapt significantly to changing conditions, have improved the competitiveness and have positioned them better for better future. Sometimes the change efforts have been disappointing with wasted resources and burned-out and frustrated employees. If the challenge of change is handled well, and it can prosper greatly. If the the challenge is handled poorly, and it puts the leader and others at risk. All too often people in the organisations do not see the need for change. They do not correctly identify what to do, or successfully make it hap-
pen or make it stick. The Challenge of change has been studied for decades, the traps are known, but even very smart people fall to those. Also the steps that ensure success are known. (Kotter 1996, pp. 3-4; Kotter & Rathgeber 2006, p. 2.)

2.1.1 Steps of change management

To understand why some organisations are able to change themselves more successfully than others, you need to see the flow of effective large scale change efforts. Usually there is a flow of steps, which some leaders are unable to follow. There are several (rather similar) versions of the steps by different authors, here are the eight steps of Kotter:

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<td><strong>1. Increase urgency:</strong></td>
<td>Raising a feeling of urgency so that people start telling each other “we must do something” about the problems and opportunities. Reducing the complacency, because fear and anger prevent change from starting.</td>
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<tr>
<td><strong>2. Build the guiding team:</strong></td>
<td>Helping pull together the right group of people with the right characteristics and sufficient power to drive the change effort. Helping them to behave with trust and emotional commitment to each other.</td>
</tr>
<tr>
<td><strong>3. Get the vision right:</strong></td>
<td>Facilitating the movement beyond traditional analytical and financial plans and budgets. Creating the right compelling vision to direct the effort. Helping the guiding team develop bold strategies for making bold visions a reality.</td>
</tr>
<tr>
<td><strong>4. Communicate for buy-in:</strong></td>
<td>Sending clear, credible and heartfelt messages about the direction of the change. Establishing genuine buy-in that is shown in how people behave. Using words, deeds and new technologies to unclog communication channels and overcome confusion and distrust.</td>
</tr>
<tr>
<td><strong>5. Empower action:</strong></td>
<td>Removing barriers that block those who have genuinely embraced the vision and strategies. Taking away suffi-</td>
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cient obstacles in their organisations and in their hearts so that they act differently.

6. Create short-term wins: Generating sufficient wins fast enough to diffuse cynicism, pessimism and skepticism. Building a momentum. Making sure successes are visible unambiguously and speak to what people deeply care about.

7. Don't let up: Helping people create wave of change until the vision is the reality. Not allowing the urgency to fade away.

8. Make change stick: Ensuring that people continue to act in the new ways, despite the pull back to tradition, by rooting behavior in reshaped organisation culture. Using the employee orientation process, the promotions process, and the power of emotion to enhance new group norms and shared values. (Kotter 2002.)

2.1.2 Change resistance

Not all employees welcome the change with enthusiasm. It is important to examine the sources of employees’ resistance to change. Most common reasons are:

- Employees are satisfied with status quo. Their needs are met and they may view any potential change as negative.
- Employees see change as potential threat, fearing it will effect on them in some significant way (e.g. extra work).
- Employees see that change brings both benefits and costs, but feel that costs far outweigh the benefits.
- Employees see the change itself as positive, but think that leaders are mishandling the change process.
- Employees see the change itself as positive, but think it is not likely to succeed (e.g. timing).
- Employees' remember the organisation’s past performance with change projects
Employees might be afraid to end up with a job that no longer require their level of abilities, skills or responsibility.

Employees might be afraid of losing status, good working conditions or freedom.

Employees might be afraid to be moved to a different location than close colleagues or function with no contact to close colleagues. (Kirkpatrick 2000, pp. 20-21; Spector 2010, p. 9.)

Sometimes leaders create the change resistance by not paying enough attention to important things in the change. Employees might feel left outside of the change planning, and not able to participate. It might be that the organisation has not given employees opportunities to learn new skills, and therefore they see the coming change as a threat. It also might be that leaders have not shared enough information on the benefits of the change and reasoning for the change. One reason could also be lack of respect to leaders making the change or negative attitude towards the organisation. Sometimes the tone of the communication can affect, if employees feel they are told what to do. (Kirkpatrick 2000, pp. 21-23; Spector 2010, p. 11.)

Employee resistance is not just a negative force to be overcome. It can also present an opportunity to learn (Spector 2010, p. 9). It can also be an opportunity to understand possible threats to the change, which can be tackled when given attention to lower level employees as well.

In order to overcome the change resistance there are three main strategies.

- **Empathy and support**: The first step is to actively listen to the employees to find out how they are experiencing the change. When employees feel their leaders and managers are genuinely interested in their views, they are likely to feel less defensive and more willing to share their perspective. (Cummings & Worley 2001, p. 111-112.)

- **Communication**: Employees can resist change when they are unsure about the consequences. Lack of sufficient information triggers rumors and creates anxiety. Effective communication about the coming changes reduces speculations and allows employees to prepare themselves. On
the other hand, some employees might feel there is too much information. One solution could be a new channel for change management related information. (Cummings & Worley 2001, p. 111-112.)

- **Participation and involvement**: Participation can lead to designing high quality changes and to overcoming resistance to implement them. Employees can provide the diversity of ideas and information, which can contribute to making the innovations better. They can also identify possible pitfalls and obstacles. (Cummings & Worley 2001, p. 111-112.)

The employees who like challenges are less likely to be resistant to change. They might also see the change as an opportunity to make their job easier and require less time and effort. They might also see the change as an opportunity to improvements such as promotion and better working conditions. (Kirkpatrick 2000, p. 26-27.)

It is also good to identify those employees who greet the changes positively. They can use their positive energy to bring the doubters along. (Harvard Business School Press 2007, pp. 41-42.)

2.1.3 Communication of the change management

One of the key factors in change management is communication. Great plans, but poor communication can create change resistance. Communication means more than just “telling”, it is more about “creating understanding”.

In order to be successful in this, it is important to understand the possible barriers:

**Sender barriers:**

- Sender does not know enough of the receiver or the topic.
- Sender has a negative attitude towards the message and possibly does not want to communicate (no commitment). Alternatively, the sender does not care whether the receiver understands or not.
- Sender has a negative attitude towards the receiver.
- Sender fails to get the attention and interest of the receiver.
- Sender has wrong timing or is in hurry him/herself.
- Sender uses a wrong method or wrong place.
- Sender has poor communication skills or uses vocabulary not known by the receiver.
- Sender communicates too little or too much.

**Receiver barriers:**

- Receiver has poor timing, as he/she is busy with something “more important”.
- Receiver does not respect the sender.
- Receiver is not interested in the message.
- Receiver has emotional barriers e.g. frustration, fear, anger or anxiety.
- Receiver is tired or is distracted.

A communication strategy must be planned to overcome as many barriers as possible. (Kirkpatrick 2000, p. 47-51.)

Good communication goes both ways, also upwards. The message should be clear and with empathy in order to be understood and not to create confusion or resistance. It should also be early enough before the changes, and include sufficient amount of information (not too much or too little). The communication of the change management should also continue throughout the transition phase. In order to avoid the situation where change management communication is lost among other information, it is possible to have for example a separate channel for it.

### 2.2 Organisational culture

Organisation culture is the pattern of basic assumptions, values, norms and beliefs shared by organisation members. These shared meanings help members make sense out of everyday life in the organisation. The meanings signal how work is to be done and evaluated, and how employees are to relate to each other and to significant others, such as customers, suppliers and government agencies. Culture implies some level of structural stability in the group (Schein 1997, p. 10). Culture is the product of long-term social learning and reflects what has worked in the past. (Cummings & Worley, 2001, p. 259.)
Organisation culture helps shape employee behavior and it is often passed down from current to future employees. Culture acts as the glue that makes the organisation or “the way we do things here”. (Spector 2010, p.166.)

"Culture eats strategy for breakfast”. Organisation culture has the hidden power for instance to destroy strategic initiatives. It also has the power to cultivate change when coming from inside. (McGuire & Rhodes 2009, p. 39).

Leadership style affects the organizational culture strongly and it can be said that they go primarily hand in hand. Leadership is a set of beliefs and interpretations that underlies the choices made by and through the leadership culture (McGuire & Rhodes 2009, p. 22-23). Culture and leadership are two sides of the same coin. Leaders first create cultures when they create groups and organisations. Once culture exist, it will determine the criteria for leadership and thus determine who will or will not be a leader. (Schein 1997, p. 15).

2.2.1 Different kind of organisation cultures

There are almost as many organisation cultures as there are organisations. According to John B. McGuire and Gary B. Rhodes organisation cultures can be categorized on high level into three different kind of cultures.

**Dependant-Conformer.** In this culture, the authority and control are held at the top. Success depends on obedience to authority and loyalty. Mastery and recognition of the work are mainly at the level of technical expertise. Mistakes are treated as weaknesses, and feedback is primarily from above and negative and thus not valued and sought.

**Independent-Achiever.** In this culture, the authority and control are distributed through hierarchy. It focuses on success in changing world and adapting faster and better than competitors do. Success means mastery of systems that produce results in an individual’s own area and contributes to the success of the whole organization. Mistakes are treated as opportunities to learn. Feedback may be multilateral and valued as it develops individuals.

**Interdependent-Collaborator.** In this culture, the authority and control are shared based on strategic competence to the whole organisation. The mind-set
is towards collaboration cross-functionally. Success means collaborative mastery of integrating systems that produce results now and in the future. The whole system is intended to work effectively for the benefit of the whole value chain. Mistakes are embraced as opportunities for individual, team and organisation learning. Feedback is given both in positive and negative.

As today’s world is getting more and more complex, the Independent-Collaborator culture is mostly needed. It operates as unified force in the competitive environment, but only few organisations are yet there. (McGuire & Rhodes 2009, p. 22-23.)

2.2.2 Organization culture in non-profit organisation

There are several similarities between non-profit organisations and commercial companies. Both organisations can be for instance made of teams and managers, have annual plans and long term strategies, and need to renew themselves and innovate.

There are some differences between businesses and non-profit organisations. Perhaps the most important is in the performance area. Businesses usually define performance too narrowly as the financial bottom line. In the non-profit organization there is no such bottom line. When non-profit executives made decisions, they must first go through desired results. One of the basic differences between businesses and non-profits is that non-profits always have a multitude of constituencies. The task of the non-profit executive is to get all of these constituencies to agree on what the long-term goals of the organization are. Service organisations are accountable for donors, accountable for putting the money where the results are, and for the performance. (Drucker 1990, p. 81-83 & 107.)

Non-profit organisations exist for the sake of their mission. They exist to make difference in society and in the life of the individual. Everyone in the organization needs to know the mission. It is often the spirit of the organization, which motivates people to perform. Moreover, their results are therefore always a change in people- in their behavior, in the circumstances, in their vision, in their health, in their hopes, above all, in their competence and capacity (Drucker, Managing the non-profit organization 1990, p. 85). As people working in non-
profit organizations are often more committed to the mission of the organisation, the passion might also lead to disagreements. These needs to be brought out and discussed openly. (Drucker 1990, pp. 32 & 96.)

“One of the great strengths of a non-profit organization is that people don’t work for a living, they work for a cause. That also creates a tremendous responsibility for the organization to keep the flame alive, not to allow work to become just a ‘job’.” (Drucker 1990, p. 116.)

### 2.2.3 Why and how to change organisational culture

There are various kinds of reason for organisation changes, such as shutting down a factory, selling of (non-core) business, laying off employees, introducing new business model, adapting new pay-for-performance system or stock-option system, entering global market, integrating acquired business, outsourcing noncore activities and many more. (Spector 2010, p. 1.)

As the world around organisations changes, the organisations usually want to change with the same speed. People rarely want to be led in so called old-fashioned way in modern world. In addition, organisations wants to seek for new ways to improve their efficiency and productivity. Sometimes the reason for culture change is the fact that the results need to be changed. As culture shapes behavior and behaviour produces results, the culture needs to be different in order to get different results. Sometimes the change also comes from outside the organisation, for instance in case of merger, acquisition, new leader or economic crisis.

By knowing what exactly is expected of them, employees will waste little time in deciding how to act in a given situation. In a weak culture, on the other hand, employees waste a good deal of time just trying to figure out what they should do and how they should do it. In the extreme, we estimate that an organisation can gain as much as one or two hours of productive work per employee per day. (Deal & Kennedy 1982, p. 15.)

In order to change the culture in the organisation, it is vital to understand what kind of culture is currently in the organisation. This is not always easy as much
of the culture is primarily unconscious. It is also important to evaluate what are the reasons why it is not the desired culture are and what needs to be changed in the culture. Therefore, an effective culture change starts with the clear vision of the new strategy and top leaders committed to it (Cummings & Worley 2001, p.261).

As values and beliefs are the essence of any organisation culture, one important step in every organizational culture change is to establish values. Values define the organisation’s nonnegotiable behaviours and provide a sense of a common direction for all employees and guidelines for their day-to-day behavior. (Deal & Kennedy 1982, p. 21; Gouillart & Kelly 1995, p. 46.)

No matter what the culture in the starting point is, all cultures will have the same stages of the process: awaken, unlearn and advance. (McGuire & Rhodes 2009, p.66). Also in all organizational cultures the importance of leaders’ example is vital. After setting the direction and alignment, they need to participate, demonstrate (“walk the talk”), listen and have time for the change.

There are three main ways to change the culture of the organisation.

- **Inside-Out** Is a deep and sustainable way of change as it comes from within the organisation. It is seen as change that is more meaningful with intuitive and creative spirit.
- **Readiness** Is preparedness to face the challenge of change when needed.
- **Headroom** Is a term used for the space and time created to allow systematic development of the organisation culture. It gives time to face and solve the challenges required. It depends on the internal and group dialogue, engagement and collective learning. (McGuire & Rhodes 2009, p.23-24.)

The way to change the culture depends also on the current culture. Each of the different cultures (Dependent-Conformer, Independent-Achiever, and Interdependent-Collaborator) requires different ways to change them. In order to change the culture successfully, this hidden dimension requires the same attention and time as other change goals. Raising awareness requires slowing down
enough to reflect on what is actually going on in the organisation. (McGuire & Rhodes 2009, p. 42-45 & 59).

During the transition phase, conflicts over what elements of the culture employees like or do not like become surrogates for what they do or do not like about the leader. This is because often the culture is reflected on the leader’s personality. (Schein 1997, p. 310.)

2.3 People motivation and participation

Employees’ motivation and participation play a significant role when implementing change management or defining an organisation’s culture. There have several change management projects have failed due to poor people motivation and participation. Thus, it is crucial to understand motivation and participation and how they should be taken into account.

2.3.1 Engagement

Without engagement, the change will not have buy-in and change is left with two alternatives: force or fail (Kahan 2010, p. 1). The engagement tends to vary in different organisation cultures. The earlier the stage of culture, the less engagement is likely to occur (McGuire & Rhodes 2009, p. 81). This is logical as in other cultures employees are more sharing the authority and control.

When the engagement is high, the results can be:

- Leader’s message goes fast and far, creating traction, involvement, participation and buy-in
- Leader generates goodwill. Employees spend less time in reactive mode and judging, but more time pitching in and helping to find the solutions.
- Employees feel that leaders understand their needs, perspective and potential.
- Achieving sustainability with new ways of working and creating a network of support. (Kahan 2010, p. 32-33.)

In order to engage new stakeholders, the main principles are:
• Introduce yourself as a neutral party. This gives stakeholders the permission to tell their point of view.
• Mention that the discussion is confidential, so that they feel they can say anything without filtering something out.
• Say you want to do the right thing. This is a value-neutral statement that can be only interpreted positively no matter how the listener sees the situation.
• Ask the stakeholder to share their experience, and appreciate for that and stakeholders’ time.
• Put yourself to stakeholders’ shoes. Reflect the stakeholders’ words to ensure they know you are listening. Interpret the right thing to do from stakeholders’ perspective.
• Invite the stakeholders to join you in finding a good way forward. This shows respect to professional knowhow.
• Trust the stakeholders and for instance ask them to speak in the meetings (Ridderstråle & Wilcox 2008, p.134-139; Kahan 2010, p. 37-38.)

2.3.2 Motivation

According to Michael Beer and Nitin Nohria, an effective compensation system will increase the quality and effectiveness in the change process. Arguments say that financial incentives play a leading and central role in motivation change. In their theory there are four categories how compensation can help organisations:

1. Improve the motivation and employees’ productivity
2. Help overcome organizational inertia and change resistance
3. Promote productivity in personnel
4. Mobilize valuable knowledge by allowing effective decentralization (Beer & Nohria 2000, p. 267-297.)

Unlike Beer & Nohria, Daniel H. Pink states that the problem is most organisations (companies, governments and non-profit organisations) are not caught up with new understanding of what motivates people. Too many operate still with outdated and unexamined practices such as short-term incentive plans and
pay-for-performance schemes. In the new way of approaching there are three core elements to true intrinsic motivation which comes from inside. These are:

- **Autonomy:**
  The desire to direct your own life. It is not independency/rely-on-nobody individualism, but acting with the choice of being both autonomous and happily interdependent with others. Autonomous employees remain accountable for their work.

- **Mastery:**
  The urge to get better and better at something that matters. The most and highest satisfying experiences in people's lives are when they are in flow, where their sense of time and place melts away. The urge comes internally and makes people engaged, as the activity itself is rewarding.

- **Purpose:**
  The yearning to do what people do in the service of something larger than themselves.

Pink also states that rewards should be given with “now that” principle instead of “if then” principle. If then principles are usually goals given by others (e.g. sales targets), which can make the focus somewhat narrow, promote unethical behavior and risk taking and decrease collaboration within the organisation and intrinsic motivation. Rewards should be more unexpected and for instance praise and positive feedback, instead of cash and trophies. (Pink 2009.)

Pink's theory is also supported by the results of the research in the public sector in Australia by O'Donnell and Shields (2002) who studied performance related pay in the Australian Public Sector (APS). In addition the research of Marsden and Richardson (1994) found that performance related pay had little impact on motivation. According to Frey (1997), extrinsic rewards by themselves are problematic and once pay exceeds a subsistence level, intrinsic factors (such as pride of doing a good job or sense of doing something worthwhile) are stronger motivators. People working in the non-profit organisations work for generally lower pay because they consider the task to be important. Also Almer, Higgs and Hooks (2005), Etzioni (1988) and Larson (1977) argue that other factors
than pay motivate employees in non-profit organisations. (Tippet & Kluvers 2009, p. 8-10.)

As every person has unique motivators due to different character, interests and goals (Friga 2009, p. 68-69), members in the same group cannot necessarily be motivated in the same way. Thus, it is important that there is also discussion with each member on how to find the motivators for him/her.

2.3.3 Employee involvement

Faced with competitive demands for cost efficiency, higher performance and greater flexibility, organisations are increasingly turning to employee involvement to enhance the participation, commitment and productivity. Sometimes employee involvement has also been called as “empowerment” and “participative management”. Its goal is to increase members’ input into decisions that influence organisation performance and employee well-being. There are four key elements that improve employee’s involvement:

1. **Power**

   Employees are provided with enough authority to make work-related decisions covering topics from work methods to employee selection. The amount of power given to employees can vary remarkably from simply asking them for input for decision making, workers co-deciding or the employees making decisions by themselves.

2. **Information**

   Timely access to relevant information is vital to making effective decisions. Employee involvement can be promoted in the organisations by ensuring the necessary information flows freely to those needed. This information includes for instance operating results, business plans and competitive conditions.

3. **Knowledge and skills**

   Organisations can facilitate employee involvement by providing training and development programs for improving members’ knowledge and skills. These programs can include topics related to performing tasks,
decision-making, problem solving and business operations. This will boost the organisational effectiveness.

4. **Rewards**

Meaningful opportunities for involvement can provide employees with internal rewards, such as feelings of self-worth and accomplishment. (Cummings & Worley 2001, p. 172-174.)

The further the four elements are moved downward throughout the organisation, the greater the employee involvement. The four elements are also interdependent, they must be changed together to obtain positive results. According to studies, there is consistent relationship between employee involvement and financial performance, customer satisfaction, labor hours and waste rates. As demonstrated in the picture below, the fact that employee involvement increases job satisfaction and in turn their productivity. Ultimately, this can have an even greater impact on productivity by attracting good employees to join and remain with the organisation. (Cummings & Worley 2001, p. 172-174.)

![Diagram](image)

Figure 1. Employee Involvement’s Primary and Secondary Effects on Productivity. (Cummings & Worley 2001, p. 174-175.)
In the change management process, the employees can be involved in many ways. They can have different roles such as ambassadors, specialists, support persons, planners and coordinators. Most important is that everyone gets attention and is listened to in order to get a chance to share their views and thoughts. Enabling the upward communication will ensure employees involvement. One of the most powerful approaches is to get input from the employees before the final decision (Kirkpatrick 2000, p. 27).

Involvement in the process of defining problems and designing solutions will help build the commitment to the new direction. By diagnosing problems, understanding their importance and being part of the process of creating solutions, employees develop a psychological sense of “ownership” over the result. This ownership creates higher motivation to implement change in order to achieve the desired goals. Involvement can also allow employees to learn skills and give an opportunity to employees to show their potential. Usually it also improves the employee-management relations. (Spector 2010, p. 12 & 172.)

3 Case organisation

The empirical part of this master’s thesis’ studies Plan International Finland’s change management, organisation culture and employees’ motivation and participation to change management.

3.1 Plan International Finland

The case organisation is Plan International Finland. Plan International is an independent development and humanitarian organisation that advances children’s rights and equality for girls. Plan International was founded in 1937. Plan has been operating in Finland since 1998. Plan has no religious nor political affiliations. Tens of thousands of Finns support Plan’s work and share Plan’s mission to remove poverty and guarantee children's rights and equality for girls across the globe. Plan International Finland receives funding from e.g. individual donors, corporate partners, The Finnish Ministry of Foreign Affairs, the EU and the UN. Through Plan International, help is delivered quickly and reliably. Plan International works in over 70 countries and runs development programs in
51 countries. There are fundraising national offices in 21 countries, Finland being one of them. Plan International Finland’s office is located in Helsinki and it employs approximately 70 people, who work for example in development program management, advocacy work, marketing, finance, HR, customer service, donor relations. The total organisation is demonstrated below. (Plan 2018.)

Figure 2. Plan International Finland’s organisation chart. (Salmivalli 2018)

3.2 Introduction of the change

The change, which the master’s thesis focuses on, is related to the change in the leadership model. Plan International Finland used to have one leadership
team deciding and discussing strategic and operational topics. At the end of 2016, the old leadership team (with CEO and directors as its members) became new Strategic Leadership Team including the same members. At the same time there was also Operational Leadership Team established with CEO, directors and all managers (who report to directors) as its members. At the same time, the culture around the leadership teams changed. The agendas and memos were open, and every member shared them with their own teams. The biggest change was to make the organisation more open, less hierarchical and more participatory.

In the beginning of 2018 the second phase of the leadership model changes took place. The Operational Leadership Team became the Leadership Team (with the same members) and the Strategic Leadership Team was discontinued. At the same time Future Team and Finance Team were established. The members in these teams are partly from (new) Leadership team and partly other members of the organisation. The aim was to have the most suitable people in the Future and Finance Teams, regardless the position in the organisational chart. The aim was to clarify the roles of different leadership teams (the difference between former strategic team and operational team was seen as unclear), to have more time and resources to strategic thinking and to lower the hierarchy so that also non-directors and non-managers can be part of the leadership teams.

4 Empirical part

The empirical part of the thesis this will includes information of the empirical research in general, research concluded in this thesis and analyses of the research.

4.1 Qualitative method

Qualitative research is used mainly in human sciences where the emphasis of research is in understanding and interpreting aspects of human behavior and their consequences. Qualitative research methods are also used to provide bet-
ter understanding for issues that cannot be presented clearly enough by using quantitative research methods (Eriksson & Kovalainen 2008, p. 5).

Qualitative research is always relational to the researcher and his/her interpretations (Metsämuuronen 2009, p. 215-217). Qualitative research is seen as reliable if another researcher ends up with similar results from the same research material without knowing the interpretations of the first research (Koskinen, Alasuutari & Peltonen 2005, p. 159).

The difference between an interview and a conversation is that the structure and purpose of the interview are determined only by the interviewer. Seven stages of an interview process can be separated. These are thematising (formulating the purpose of the interview), designing, interviewing, transcribing (preparing the interview material for analysis by transforming oral speech to written text), analysing, verifying (checking validity, reliability and generalizability of the material) and reporting. (Kvale 2007, p. 35-36.)

There are different types of interview types: structured, semi-structured and unstructured interviews. Qualitative interviews most often represent the type of semi-structured interviews where the researcher has a list of themes and related questions prepared for the interview. (Saunders, Lewis & Thornhill 2009, p. 318-320.)

The aim of the empirical part in this master’s thesis was to get more insight on how the people in the organisation experienced the change that happened, on the way change management and communication were handled, how the employees were participated, how they were motivated, and how they saw their own organisation culture versus others in change management. In order to get the most insight and understand more how the employees thought, it was chosen to interview personnel with qualitative method and with semi-structured questions. This way the answers would possibly tell more than just a questionnaire and discussion would be as free as possible.

The challenges in the qualitative research method are that it depends so much on the interviewer, who cannot be too sympathetic nor letting his or her own opinions influence the interviewees’ responses. The interviewer also need to be
able to create a trusting atmosphere to the interview in order to get open and honest answers. The possible downfall of qualitative research is that the sampling is usually smaller than in quantitative research. In this research, it was decided that deeper knowledge was better than bigger number of answers.

4.2 Interviews

There were some criteria to be taken into account when choosing the interviewees. The first criteria was that the person needed to be outside the leadership teams. As already only the Operational Leadership included all managers, this criteria excluded a significant number of employees. Secondly, the desire was that the persons had been in the organisation before the changes and during the change process. Thirdly, the aim was that the interviewees were from different parts of the organization (not only from one team). After these exclusions, Plan International Finland’s HR sent invitations to approximately 15 members of the personnel, and 50% people of them wanted to take part of the interviews. In the end, six people were interviewed. Interviews were conducted face to face in Plan International Finland’s office, but nobody else than interviewer and interviewee were able to enter the room. In all interviews, the interviewees have trusted the interviewer. This can be seen from the answers, which are genuine and honest. Thus, it can be said that interviews were successful. All interviews were held in Finnish and recorded. The Finnish language was chosen as it was the native language for all interviewees and made the interview situation more open and relaxed in order to get more open answers. The answers have been translated into English by the author.

4.3 Results of the study

The results of the empirical research are analysed deeply in five themes, which came up in the results. Some topics were clearly inspired more thoughts than others were and therefore get a bigger role in the results.

4.3.1 Change itself

The opinion about the change itself was generally very positive. Interviewees felt that the change was justified and needed as they had seen the issues how
busy the previous Leadership Team was. It was also considered positive that the new Operational Leadership Team included all managers.

“I think it’s great that we are looking into new ways if we see that old ones don’t work. It was clear to us the old way wasn’t working”

“Basically I reacted positively. Previously we always needed to wait for the decisions of the Leadership team. My manager wasn’t part of the old Leadership Team, and wasn’t aware of all the discussions and views on things. Therefore we had lack of information and challenges.”

“I like that fact that there are more people deciding on things, so there are many perspectives.”

The positive thing was that majority of the interviewees would not do anything differently in the whole change management process.

“I cannot think of anything that could have been done differently”

“Some people felt that everything should be prepared together. But I think structural changes are decided by the leaders as the CEO is responsible”

4.3.2 Communication of the change management

All of the interviewees felt that there had been enough communication during the change management process. They received all the time information on what was going on at that moment. Additionally there were a lot of open discussions together and employees were allowed to criticize or praise the process. Some felt they were not able to make it to all info sessions due to busy work and therefore information was in the email. All interviewees felt that the reasoning for the change was done clearly and adequately. One of the interviewees felt there was too much change management communication and less would have been better.
4.3.3 Participation and motivation

Plan International Finland has clearly learned from its past and taken into account the previous internal criticism that the personnel was not involved enough in the decision making and in the change management process. Now the feedback was almost opposite and the organisation has had too much of participation. Many felt that the time was not used wisely and effectively and they should use their working time on their actual work. They felt that continuous discussions and conversations were not helping the children in the developing countries. Although, some interviewees commented that there are still people in the organisation who want employees to participate in big decisions. A couple of interviewees noted that the organisation should do a satisfaction survey related to participation. The comments from the interviewees were for example:

“There could not have more participation”

“Due to several changes, there is a lot of time going on participating questionnaires. Is it really needed to participate this much?”

“In general there is too much participation. I should use my time on my actual work, not discussions. But participation is compulsory”

“Nowadays personnel is listened. Some people feel that this is too much and these should be decided in the leadership team as we have one. Why are we thinking these?”

“The aim is that everyone is listened. There is summary made and informed, but the actions are minor and then there is already a new meeting coming up where we are again thinking the same things”

“People get frustrated when their time is going on internal things. So now we have too much participation, we should find a golden mean”

“I think the challenge is that we are so democratic and everyone from different levels is listened. Sometimes it feels we are going back and forth because of it.”
"I think decisions should be made and then just communicated to us well."

In general, the interviewees like change and find different motivators to change in their everyday life. Most common motivators among the interviewees were:

- Good reasoning and preplanning of the change
- Improvements in everyday life and the way of working, for instance time management
- Participation and ability to impact on the outcome or taking ownership
- Values and the mission
- Possibility to learn new things

4.3.4 Current culture

Interviewees felt that many things have improved due to the change in the leadership model, but also new challenges have come up. The biggest positives changes had been clarity and cooperation between the teams. This had abolished frustrations related to unclarity and overlapping tasks. On the other hand, several interviewees criticized the number of internal meetings. People felt that the focus should be more on the organisation’s mission than on internal meetings.

“Previously we had challenges with unclarities. The way managers work now has helped in this one. Now we have smaller team and time with our manager”

“The organizing has improved. Nowadays we don’t have two people doing the same without knowing about each other.”

“Now it feels that leadership teams meet often and have long meetings. A lot of time going just for leading. Perhaps shorter meetings and not so often would be better. Then less things would end up there and they would be decided and solved in everyday life”.

“Our main task is something else than internal things”
Interviewees also had expectations towards the new leadership team that had not yet realised. Then again, they also understood that the change is rather new and impacts might be more visible a bit later.

“I would want them to think the annual activity. So that we have resources and we know when to focus on what. It would enhance and be more systematical.”

“I would want the strategic planning to be clear. That vision has clear plans and we stick with them.”

“I wish they would have a common vision, which would help us to prioritise our work”

In addition, the interviewees mentioned some other issues that have appeared with the new culture.

“Our biggest challenges are in the organisation. We are led by managers, so the information goes via managers. Things are done in silos. Why do we need to take everything back to our team to be discussed instead of deciding it there? It frustrates when projects take longer due to this. We are victims of structures”

“In the new open office we cannot have same conversations as earlier, if we don’t want everyone else to listen as well. Due to this we don’t get to know the new people. Also my relationship with my manager used to be better, when manager had an own room. Now I should reserve a meeting room first in order discuss something.”

**Communication in the culture**

The feeling about the communication was mainly positive. All interviewees said that information is shared better and communication is better across the teams. One of the contributors to the improved communication was also the managers’ role change. As now, all managers are involved in the Operational Leadership Team and they are more aware of matters and are able to share more info. Also re-organising of teams (bigger units split into smaller teams) was seen very pos-
itive since now managers were more available for employees. Everyone also mentioned the sharing of the Leadership Team’s meeting memos and found them very good practice and informative. It also came obvious that it was very important in the organisation that everyone is able to share their views and open discussions and different options are appreciated and encouraged.

“Communication is clearly better in the Leadership Team than earlier.”

“We have always discussed a lot, especially now about the change. But at least we don’t have now too little conversation. Managers have more time, which increases the conversation.”

“It is well taken care that people get information that they need and get to say if they have different view.”

“Nowadays we have joint planning and voting. We were just in a strategic workshop where we voted our three favorites from ready-made suggestions. Now those are our strategic must win battles. So we are very democratic.”

The possible development areas were related to timing of the communication. Some felt that items are shared when they are almost “old news” instead of sharing what will be the plans during the next months. People felt changing this would help their work.

“There is a lot of information, but I would want more information at the right time. I would like to know what will happen during the next six months, not what happened last week. This hasn’t improved.”

Several interviewees felt that the current way of sharing publicly what each team is doing is not the most time efficient way of sharing the activity info. Some felt it could be done in another way or in another tool (intranet or similar). Some experienced it was slightly artificial or too compulsory and not necessarily needed in current extent.

“Now we hear things what each team did or doing now. This could also be done in intranet. I would like the conversation to be more in the plans of the next six months”
“Nowadays we need to share what we do. If somebody doesn’t want to share it publicly, it seems he/she is not doing anything. Then people are sharing who they meet and to who they write emails. Is it smart to waste everyone’s time on this? Perhaps leadership team could provide us with other approaches and tools to this.”

**Speed of changes**

During the last year, Plan International Finland has gone through several changes from system changes to organisational changes. Among the interviewees only one felt there have not been too many changes. All the others felt that there had been too many and some already thought how to change the situation of the constant changes. They felt that they were not only speaking for themselves, but for other colleagues as well. Some felt that more explanation would be needed about the number of changes. Some interviewees experienced that some of the changes were not planned carefully enough before starting the projects, which made them less successful changes. This also affected their motivation and enthusiasm of the upcoming change projects.

“We are in constant change. I like change. I don’t resist change as long as things still work.”

“There has been too many changes. I have given the feedback to my manager already. I cannot follow anymore. Even though the aim is to ease the work, it takes time absorb the info. Feels too heavy.”

“People around the organisation are tired of the changes. There are many changes within short time, and perhaps it should be explained to employees why there is now more changes and it will calm down.”

“Feels like there hasn’t been originally enough thinking and therefore we have now so many changes. It feels like not all necessary stakeholders were listened in the beginning if we need to change again after a short while.”

“There are a lot of different kind of task forces and meetings. Perhaps it would be good to pause and think. Or have an external person to think and see the big picture. Currently we are going to several directions. First we go
to one direction and stop and continue to opposite direction. The processes are not finished. People are not yet committed to new system and already there is a new one coming. It frustrates when starting a new project and thinking will this project be ever finished. Which makes things ineffective and then we need to get new resources.”

“For example we were introduced a shared calendar, where every team put their activities. Important and needed to know for planning purposes. It was also available for everyone at anytime. After three months, it was abandoned as nobody was using it. I told my manager that we should have tried it for at least six months, so that everyone could have absorbed the new tool.”

4.3.5 About organisation culture in non-profit organisation

Surprisingly the interviewees were very enthusiastic to talk about their organizational culture and how it differs from others. Interviewees felt a very strong bond to their organisation and its culture. People were very proud of open discussion culture, democracy, equality and values visible in everyday life. They felt strongly about togetherness and loyalty towards each other. The high integrity was evident for instance by always mentioning if they experienced or noticed some unfairness or defect in the organisation or something to criticise in the organisation’s way of acting. The interviewees were also aware of how uncommon these procedures and concepts in general are among work places. Several mentioned how they could not imagine working elsewhere due to the culture. These following comments strengthen the theory of non-profit organisation culture having more commitment and intrinsic motivation instead of extrinsic than business organisations. As Pink argued, the main motivation factor is not the pay, but the sense of doing something important and meaningful. People are willing to do more in order to make the world better. Values are the biggest motivating factor, and visible for example in recruitments, which need to be transparent and it must be justified why the money is spent there instead of the programs in a developing country. It could be that the employees value also more what they have, as some of them have worked closely with people in the developing countries with poorer starting points.
“We have certainly different value culture than companies in private sector. We have a lot of conversation and we take into account diversities, genders, what is correct in work community and what not, and we have strict values. We aim to practice same spirit in work community and in programs; everyone has equally valuable voice. Equality is important to us and it is visible that everyone is similar from ethical and moral mind.”

“People want to participate and make the world better. Everyone has sought a job, where the content matters. We want to make the world better by our own activity. We are critical about own activity. We do not swallow everything, as decisions and things should be allowed to be criticised. Brave opinions are encouraged and in general leading these opinions are noticed.”

“We are very democratic work community. We have workshops about strategic direction. We discuss and ponder and employees are listened. Now we have had 2-3 workshops of where we want to focus. We are discussing, not necessarily deciding. People have different views, which is normal as some things are more important to others.”

“We have specialists, who dare to mention out loud if something feels unfair or is a defect. Naturally that impacts the work community, things are discussed especially. Also the Leadership Team thinks the same way, and that is visible in conversations and courage to say about things.”

“People want as little money used here as possible and as much as possible to destination. Everything should be transparent. Everything should be fair. For example if one person is recruited, it needs to justified how it helps in the developing country. Everything needs to be justified and that our CEO does well.”

“Even though we have small salaries, it would be very big threshold for me to leave to another culture and different kind of culture.”

"I feel that those responsible for the change feel more responsibility and want to do it well. From the lower level, there are many demands. They are
very demanding. They are commenting about small changes and small things if they are poorly handled, or people should have been participated.”

“We have soft organisation culture. We have been used to consultative change. Everyone is taken into account and asked “How do you feel?”. We are value drifted and motivated with more than just job description.”

Moreover, and most importantly, none of the interviewees mentioned anything to improve or develop in Plan International Finland’s organisation culture. This tells about extreme amount of satisfaction to the work place.

5 Conclusion

To summarise the master’s thesis and the empirical research the conclusions are covered in two parts- findings and recommendations.

5.1 Findings of the study

Overall, the change management process itself has gone well and all interviewees were talking positively about it. The interviewed employees saw changes generally in the positive light and are willing to change and develop themselves. The amount of participation and involvement seemed to be somewhat too much. It had started to frustrate some people in the organisation. The leadership model change has affected various factors from clarity to cooperation between the teams positively. On the other hand, there were still some more expectations related to clarification of the annual planning. Some interviewees were worried about the number of internal meetings, which were seen as time away from the actual work (=the more motivating work). Internal communication had improved due to the leadership model change, but there were also new challenges related to time efficiency. The majority of the interviewees felt there had been too much of change and experienced that this was the common feeling in the organisation.

One of the most interesting findings in this study is the exceptional organisation culture in Plan International Finland. Many other organisations could learn from their culture. Especially business organisations could have eye opening
thoughts about commitment, people motivation, feeling of togetherness and atmosphere. The personnel is proud of the high integrity, open discussion culture, democracy and equality that exist in the organisation. It is very clear how the values of the Plan International Finland are visible and reflected in their everyday life and way of operating. The way everyone in the organisation is noticed and taken care is exemplary.

5.2 Recommendations

It would be good to have a satisfaction survey at some point to the related to participation of the personnel. Based on that survey it might be good to find a balance between involving personnel enough, but not too much. Potentially making the participation optional instead of compulsory would already improve the situation. Then those who would want to share their views and be part of the process get the chance to contribute. Others could decide by themselves how to prioritise their time in the way they think is the best. One option would also be that most important sessions are compulsory and some sessions could be optional.

In general it could be also good to think about the role of the leadership team versus the participation of the employees. Is the participation done because of democracy and used as a support for leadership team’s decision-making? Or is it done to share the responsibility? If latter, is it working as desired. Usually the key responsibilities of leaders are 1) to create a clear vision and clear targets, 2) to educate the organisation about these and 3) to execute the strategic targets. As a result, there is one clear course for everyone in the organisation and possible ineffective sidesteps decrease. This makes the organisation work more productively, decreases unclarities and frustrations. Ultimately, all these lead to even higher motivation of the employees.

Some of the employees worried about the number of internal meetings and time used for those. They felt their actual work suffers from this. This is likely to frustrate more in a non-profit organisation, where the actual work is more motivating (doing something meaningful), than in other organisations. It could be more mo-
tivating more if the personnel could increase the time spent on motivating and rewarding work and reduce the time spent on internal meetings.

There seemed to be some development needs for the current concept of teams sharing their activities with other teams. Currently it is done in Monday meetings in an open format. Some felt the sharing was slightly too compulsory, which is why people ended up sharing matters not that relevant to the whole organisation. One way to improve this concept would be to reduce the compulsoriness. For example, only those teams share their activities who have matters concerning also other teams as well. One possible concept would be to change the time span of the activities. Instead of talking about the next week, teams would share their activities coming up during the next month or two. On different Mondays different teams would have turns to have the floor, for instance every team would have one Monday per month. This concept would also give the organisation more information on a longer time span, which was desired by some of the interviewees. It could be also an idea to share the annual plans of the teams and whole organisation to everyone. This could clarify priorities and increase understanding for some people in the organisation.

The pace of changes has been fast. The majority of the interviewees considered this had been too much. One option would be to discuss and clarify to the personnel reasons why there are so many changes now and how does it will look later. This might settle some of the people in the organisation. Possibly also planning the changes in more detail beforehand could reduce the number of changes, as one key to a successful change project is that the project team has clear goals and clear understanding of the stakeholders’ needs. This would also decrease the frustration in the organisation related to the number of change projects, unfinished projects and short trial times of new systems. This would increase motivation among the employees for the next change projects. According to this research, there is a big potential to even higher motivation in the organisation to develop and learn new things when it is led correctly.
6 Figures

Figure 1. Employee Involvement’s Primary and Secondary Effects on Productivity. p. 20

Figure 2. Plan International Finland’s organisation chart. p. 22
7 References


8 Appendix

Appendix 1, Interview questions

How did the change go?

What was done right?

What could have been done differently?

How did the communication go?

Did personnel participate the change?

What brings the willingness to change?

What makes you to be interested in something?

What are you expecting from Strategic leadership team? What will it bring?

How do you hear about things now? Has it changed?

Is there more expected from you than earlier?

Did you expect something more?

Has there been too much changes?

What do you think, is the organisation culture/change management different in your organization then in commercial companies? If yes, how?