

EMPLOYEE BENEFITS AS A PART OF REWARDING PROCEDURE



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TIIVISTELMÄ

Nykypäivänä työhyvinvointi on paljon keskusteltu aihe väittelyissä ja tutkimustöissä, niin akateemisissa kuin yritysten johtoryhmien piirissä. Aihe on kuitenkin monimutkainen: ihmiset kokevat hyvinvoinnin eri lailla ja eri tekijät vaikuttavat ihmisten hyvinvointiin töissä eri tavoin. Fyysinen ja henkinen hyvinvointi vaikuttavat ihmisen työhyvinvointiin ja päinvastoin ja tämä on aiheuttanut keskustelua niin positiivisessa kuin negatiivisessa mielessä.

Tämän opinnäytetyön tarkoitus oli kartoittaa hyvinvoinnin tilanne NMC Cellfoam Oy:lla ja sen vaikutusta palkitsemisjärjestelmään. Opinnäytetyö pyrki selvittämään kuinka NMC Cellfoam Oy voi parantaa työhyvinvointia ja kehittää palkitsemisjärjestelmäänsä.

Tämä opinnäytetyö koostuu useasta osasta. Ensimmäinen osa käsittelee teorioita motivaatiosta, hyvinvoinnista ja työstä palkitsemisesta. Seuraavaksi kirjoittaja analysoi palkitsemista NMC Cellfoam Oy:lla sekä työntekijöiden motivaation ja hyvinvoinnin tasoa. Viimeisenä datan ja tuloksien jälkeen kirjoittaja laati suositukset kyseiselle organisaatiolle.

Avainsanat Työhyvinvointi; palkitsemisjärjestelmä; motivaatio; työsuhte-edut; fyysinen ja henkinen hyvinvointi

Sivut 49 sivua, joista liitteitä 2 sivua

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ABSTRACT

At present, the concept of wellbeing in the workplace and work engagement is a subject of renewed interest, consisting of multiple discussions, debates and studies, both on a managerial and academic level. However, it is a complex matter: people view the issue differently and everyone has one's own point of view on which factors effect to the general wellbeing at work. Physical and mental wellbeing affects to the wellbeing in the workplace and vice versa; this has resulted in several discussions over its positive and negative effects.

The purpose of this research was to investigate employees' wellbeing in the case company NMC Cellfoam Oy, and its effect on the reward system. The questions this research aimed to answer is how the case company can improve its employees' wellbeing and develop its reward system.

The study consists of several parts. Firstly, the author investigates and evaluates theories about motivation, wellbeing and rewarding in general. This is followed by thorough analyses of NMC Cellfoam's rewarding policy and the situation of employees' motivation status and wellbeing. Finally, the versatile data and findings have been presented, from which the author was able to receive the necessary information to propose recommendations for the commissioning company.

Keywords Wellbeing at work; reward system; motivation; employee benefits; physical and mental wellbeing

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1 INTRODUCTION

1.1 Background

With the constant attention towards wellbeing in the workplace, organizations need to take into consideration how they are maintaining employee's wellbeing, motivation and productivity, and how to improve these factors. In an ideal position, employers are interested in how their employees perceive their overall wellbeing at work. Furthermore, employers are entitled to try to improve and maintain it. In addition, an adult spends approximately eight hours per day: it goes without saying the effect of work for the general wellbeing is crucial in all aspects of a human life.

When rewarding is connected to an individual's personal skills and competence, there is a challenge to evaluate skills and performance on a personal level. When designing different indicators, it is important to give the possibility for employees rewarded to be involved and affect to the rewarding process. The evaluation process is often subjective, which sets big requirements for managers and also raises ethical questions. Therefore, it is crucial to have mutual communication between the evaluator and the employee who is being evaluated. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 35)

Wellbeing is a complex matter and partly a subjective and an objective experience. Lately, the "hot topic" people have been discussing about is wellbeing in the workplace. In this study "Hot topic" refers to discussions where people address the level and wellbeing in the organizations, how it is considered, and what factors affect to it. This has created a lot of concern at many levels, and in general, research on employee wellbeing has shown a negative development direction in the long run. Being busy, continuous changes, unpredictability and overall development are familiar factors to nearly everyone involved in working life and can be felt like a burden in the long run. (Vesterinen, 2006)

Along with wellbeing in the workplace, employee motivation is one of the most essential parts in an organization's overall development and success. It is crucial for the company to investigate and understand what motivates employees and how to increase their job satisfaction. However, this issue can be quite challenging, because people are often motivated by different factors and reasons. A well designed and functional rewarding system is an efficient way to increase both employee work motivation and satisfaction. The appropriate types of rewards are developed in accordance to the company's reward strategies and policies. It is crucial to combine the

company's integrated policies and practices together with employee's skill, competence and contribution. (Armstrong, 1977, p. 569)

As for managers inside the companies, it is necessary to understand the circumstances employees are surrounded with and the complexity of employees as individuals. Rewarding systems and ways how to keep employees motivated in companies depend on how simple or complex rewarding system managers aim to develop, and whether to focus mainly on individual or collective factors. (Sorauen, 2000, p. 925)

This study focuses on NMC Cellfoam Oy, which is a company operating in Hervanta, and its field is Human Resource Management. Nowadays the competition between companies is a challenging and well-known fact, and organizations must have methods and solutions on how to keep qualified employee's motivated and committed to their jobs for a long period of time so that they do not change their employers.

The topic of the thesis is "Developing employee benefits as a part of rewarding procedure". The main research question the author is aiming to answer is "How can NMC Cellfoam Oy improve its ways to reward employees and their wellbeing?". question is answered by conducting a study on rewarding systems, and contents of rewarding systems and rewarding methods which are possible and currently used inside the organization.

The second objective of this study is to gather versatile data about the situation of wellbeing in the NMC Cellfoam Oy. Investigating factors of motivation is also a crucial part of this study and supports the research on wellbeing. The sub-question which is related to the main research questions is "What kind of improvements would employees in NMC Cellfoam Oy appreciate regarding benefits and wellbeing?".

In order to answer the questions mentioned, the author interviewed three employees who are currently working in the company, and created a survey within the different departments, where every employee is capable to give perceptions regarding these topics. In addition, the author reviews another survey, which was conducted by the occupational healthcare organization Finla. The survey was conducted among the same employees in April 2019. This survey was closely connected to the focus of the author's study and therefore was a valuable and reliable additional resource for the research.

This study aims to analyse every factor mentioned above: Aspects of wellbeing in the workplace aside from with different ways of rewarding systems and its implementation. By using bot quantitative and qualitative research methods, the aim is to realistically describe the current situation in NMC Cellfoam Oy.

1.2 Introduction to the case company

The case company in this final thesis is a company called NMC Cellfoam Oy, in which the author is currently working. NMC Cellfoam Oy is a Belgium company headquartered in Eynatten, Belgium. It is a leading international company which manufactures different cell plastics and synthetic foam products as a follow-up processor. The organization operates in 21 countries all over Europe with approximately 1270 employees, and the annual sales of approximately 200 million. The case company possesses versatile machines and a professional, trained staff, who has a wide material knowledge. The organization is a part of a concern that consists of four companies: NMC Cellfoam Oy, NMC Cellfoam AB, NMC Norge AS and Sundqvist Components AB. The companies' functions are ISO 9001, ISO/TS 16949 and ISO 14001 certified. (NMC Cellfoam Oy, 2018)

NMC concern is specialized in developing, manufacturing, and marketing technical and shaped cell plastic products. The variety of products consists of different areas: subcontracting, solutions for packaging, building, decorating and car industry. In addition, NMC produces mattresses and artificial grass for sport purposes, gaskets, insulations, and protection for sensitive objects, like paintings and glass. (NMC Cellfoam Oy, 2018)

The organization's two offices in Finland are located in Inkoö and in Tampere. NMC Termonova Oy has its own factory in Inkoö and NMC Cellfoam Oy is operating in Hervanta, Tampere, more specifically in an area called Rusko. In 2012 businesses in Kangasala and Laitila integrated. Before uniting together, AB Noisetek Oy was operating in Kangasala and NMC Cellfoam Oy in Laitila. Hence, together as one, NMC Cellfoam Oy moved to a factory located in Rusko, formerly belonging to Volvo in November 2013. (Business Tampere, 2014)

NMC Cellfoam Oy consists of four different departments: customer service, sales, design and manufacturing. All departments communicate and work closely together in everyday business. The delivery chain is supervised by the supply chain manager and the staff in the Service Centre, which assures the high-volume production. The whole organization has an experience for over 40 years and is very proud of the working methods and the quality of the products. (NMC Cellfoam Oy, 2018)

Organization's values are presented in 2018 as follows:

- **We succeed together**
We succeed together with our customers, employees, co-operative companies and owners by generating additional value and developing new solutions
- **We are inspirational**
We encourage each other to make things better and to explore new methods by showing our own example. We develop ourselves and our actions by learning – also from mistakes

- **We are brave**

We develop by being brave, asking and questioning – by performing things in an innovative way and by taking responsibility. Braveness consists of trust, co-operation and strong expertise

- **We are customer-oriented**

We are genuinely interested in the needs of customers and aimed to fulfil their needs. We develop our actions by being proactive and supportive towards customers. Customer's success is our success. (NMC Cellfoam Oy, 2019)

In addition, the organization's CEO has introduced the company's working methods in January 2018. The premises of operating are to create additional value to customers by meeting their expectations both in quality and operational wise. Competitiveness is assured by finding new applications together with customers and by using energy-effective and up-to-date technology. NMC Cellfoam Oy pays attention to the environment by using material in a cost-effective way. In addition, the organization is committed to recycle and minimize occurring waste.

Reliance is the main cornerstone and the customers' personal information is handled confidentially. Multi-talented, skilful and motivated staff is an essential resource whose proficiency and safety in the organization is developing single-mindedly. NMC Cellfoam expects their partners to obtain EU's and UN's chemical laws and human right principles. (NMC Cellfoam Oy, 2019)

1.3 Research aims and objectives

The aim of the study is to fill the research gap in the wellbeing of the case company and rewarding systems by researching which processes and approaches are not effective in these specific fields. In addition, the objective is to find out what is the situation what comes to wellbeing, and gather various data on how do employee's feel about the current rewarding system.

In this study the author analyses thoroughly the main theories and principles of rewarding systems together with the factors which form and influence overall wellbeing in the workplace. Additionally, the essence of motivation is presented due to its close relation to wellbeing. The main theories used in this study are the principles of rewarding systems, employee's wellbeing and main theories related to motivation. Furthermore, the author investigates how successful management functions are in a company where rewarding is legitimate, and employees are motivated, productive and content. The theories are chosen in order to support one another as well as the practical part of the study.

The focus of the research is on the issues regarding employee wellbeing, motivation and the effects and implements of rewarding system in an organization. The specific research objectives of this thesis are defined as:

- To offer a solution how to keep employees bounded to the organization and maintain their wellbeing in NMC Cellfoam Oy
- To identify the main obstacles in organizational behaviour; what needs to be observed and changed
- To analyze and understand the impact of motivation to work performance
- To provide improvements how to develop the organization's rewarding system together with employee benefits.

1.4 Structure of the thesis

After providing the introduction where the subject matter and lay-out of the research study is declared, the research questions and objectives that this study is aiming to solve are identified and listed. Chapter two outlines the relevant theories regarding presented issues in order to comprehend the background acquirements, and further the practical data. This consists of, but is not limited to:

- The basic elements of rewarding

- Existing reward methods
- Performance and skill-oriented evaluation and rewarding
- Theory of wellbeing
- Wellbeing's role in an organization
- Motivation: impact, key elements, contributing factors

Chapter three consists of the reliability and validity of the research. In addition, the author investigates which factors support the reliability and why she has chosen both qualitative and quantitative research methods for this study. Data findings and analysis are provided in chapter four and five. The results of the three interviews, as well as the data of the two surveys, are carefully summarized and observed, delivering together the main issues that are identified considering the topic and research questions. The analysis section of the study aims to understand and interpret the data collected from several sources and employees from different positions, from managers to employees.

Eventually, chapter six finalizes the research. The final chapter includes the author's recommendations and suggestions on how NMC Cellfoam Oy should proceed with the field of Human Resource Management, as far as resources go. Moreover, recommendations are meant to assist the company to improve the existing rewarding system together with investing in employee's wellbeing.

2 THEORETICAL FRAMEWORK

2.1 The role and basic elements of rewarding

In this chapter the author introduces the basic elements of rewarding systems; what it consists of, what kind of rewarding mechanisms there are, and what kind of concrete or nonconcrete rewards can exist within an organization. Before presenting the theory, the author gives an example of a company X and their situation, so that the reader will have a better view what this chapter processes.

In an international company X, who has an affiliated company in Finland, used rewarding system that had main characteristics of low basic salaries and a possibility to gain high annual bonuses. The employee's earned salaries were based on the company's result and their own personal objectives being reached. However, the objectives, the basics of rewarding and the evaluation was too vague, which affected negatively on the atmosphere of the company as well as the results. Resigning had been high for years, and the organization lost multiple important employees annually when paying the annual bonuses. According to the

employees, the system was binding them for only one year and it was not encouraging to reach for top performances. It was a time for big changes, and with the lead of the country manager, they started to fix the basic functions which were connected to the basic operations of the organization. In the organization insufficient leading was the biggest issue. Due to this, the biggest and the first developing initiatives were focused on leading and clarifying the operations in general. Firstly, they sorted out the structure of the organization, the roles, the aims and the management system. Secondly, the rewarding system was developed and those changes were very “cosmetic”. The structure was still very performance oriented, but the system’s transparency improved, and competitiveness of the solid rewarding was raised. (Sistonen, 2008, p. 177)

As stated by Sistonen, rewarding is an ensemble that consists of concrete (with money involved) or nonconcrete (no money involved) rewarding elements. The aim of rewarding has traditionally been attracting employees who fit in the company, and desiring them to stay in the company, and motivating them into successful work performances. For instance, salary and benefits are not enough tempting for employees to stay or attracting new ones. (Sistonen, 2008, p. 177)

According to Sistonen, focusing on money will lead to high salary offers and expensive benefits packages. However, with only these benefits it is quite challenging for an organization to separate themselves from other competitors. (Sistonen, 2008, p. 177)

From the perspective of leadership, competing with money and bonuses is like a toolbox without actual necessary tools. By using those “tools”, it is way more useful and versatile instrument. In the last years people have begun to understand the whole ensemble of rewarding and little by little organizations have learn to use them as a mechanism of leading. (Sistonen, 2008, p. 177)

2.1.1 Rewarding from the point of an individual

Individuals must constantly develop their personal resources, skills and knowledge to meet up with organizational ambiguity and changes. This can cause a high level of stress and work-related diseases. This also creates the need of balancing life and work issues and to activate a constant sense-making. However, it has been proven that job-crafting behaviour leads to multiple positive consequences like work engagement and job satisfaction. (Imperator, 2017, p.14)

From an employee's point of view, the organization gives signals of success through rewarding. There is a lot of expectations for an individual level: rewarding is a collection of actions, actions through which an employee will earn his or her motivation, skills and input. The employee gives his or her competence to the organization's use. When the whole ensemble of rewarding is successful, employees' motivation and removes factors which do not motivate them. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 34)

2.1.2 Rewarding from the point of an organization

When the business environment becomes more competitive, complex and less predictable, employee's survival requires higher-level performances, and capabilities. Building these factors requires transitioning from one-dimensional focus towards solutions that make it possible to focus in rewarding on two or more dimensions. Several organizations are turning to a hybrid approach. (Imperator, 2017, p.12)

From an organization's perspective, rewarding is directing action towards the strategy with different time frames. Through rewarding an organization aims to influence on individuals in a way that makes them function for the organization's good. These factors can be strictly defined, for example reaching objectives or following strategy, or more abstract, for instance increasing wellbeing in the workplace. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 34)

Nowadays reward systems are based to the good results from which employees are rewarded for. If an organization is doing well, it usually shows in the employees' salaries. Salary and bonuses are sometimes mixed with one another. Usually salary is formed from basic salary and possible bonuses, which are paid for example how well the employee does sales. In this case it is justified to ask is it only a salary, or is rewarding included. (Juopperi & Uotila, 2012, p.14)

Employers are constantly thinking about new methods to reward their employees in order to keep them committed to the organisation. In an ideal position from the employer's perspective is a method which does not become too expensive, but an employee feels him or herself valuable. (Juopperi & Uotila, 2012, p.10)

2.1.3 Concrete and nonconcrete rewarding

The most typical examples of concrete rewarding are salary, different types of bonus salaries, fringe benefits and staff benefits. Nonconcrete examples are for instance the possibilities to develop yourself at work, positive feedback, the possibility to be challenged, a pleasant atmosphere, and possible tools that an employee might need for performing the work. It is very common to take some of the benefits for granted, and people will

usually notice them later, for example after having switched their workplace. (Sistonen, 2008, p. 178)

As for concrete rewarding, factors that can be measured with money and rewarding with money are closely related. The rewarding discussion has traditionally been connected to the concrete rewarding. In research projects the main targets of rewarding have been salary, parts of personal salary and bonuses. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 39)

Nonconcrete rewarding is a more loosely defined part of rewarding system. However, it is discussed a lot in companies in the form of feedback, thanking and cheering for colleagues. The cultural attributes and behaviour of the company are closely connected to nonconcrete rewarding, for example how appreciation is shown in nonmaterial ways in the organization. This is also a part of emotional experiences. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 43)

Rewarding only with money has been questioned for decades. One of the most known scholar connected to rewarding issues is Frederick Herzberg, who created the motivation theory in 1959. His work was ground-breaking because of the research methods he used and the level of depth in his study. According to Frederick Herzberg, there are two dimensions when it comes to work: a hygiene and motivation dimension. Hygiene factors are related to external environment like salary, status, atmosphere, and manager relations. Hygiene factors remove unpleasantness, but they do not affect an individual's motivation or how an employee manages the job. (Sistonen, 2008, p. 178)

Sistonen has discovered that the actual motivation factors highlighted by Herzberg are related to the work itself, such as the content of a job, feedback, public recognition, personal development, and the experience of responsibility. This issue is shown in Figure 1. (Sistonen, 2008, p. 179)

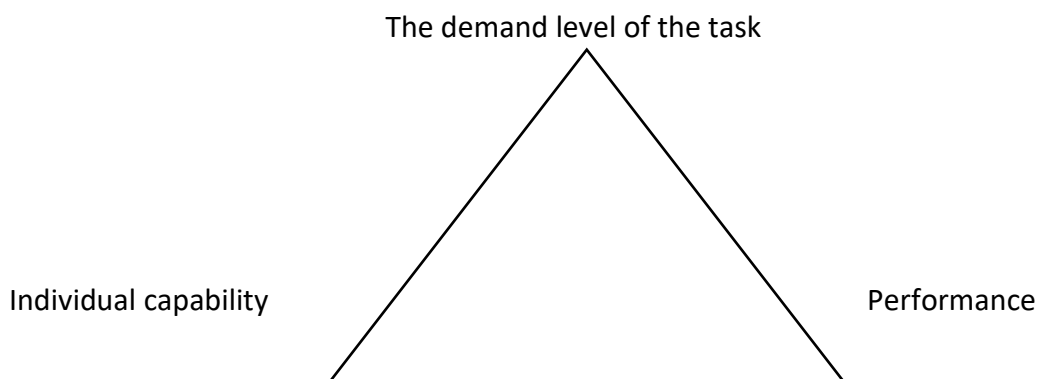


Figure 1. The principle factors of rewarding (Sistonen, 2018 p. 179)

2.1.4 Measuring the reward efficiency and demand level

In Finnish labor market the current reward systems are facing changes. The reasons behind it is for example decreasing costs, increase of productivity and make the reward system more useful for both the employees and the employer. The old reward system was based to the work assignments and the salary raises were given with hierarchically by employees' age. The objective of the old system was to be equal towards every employee, and additional part of the salary were used rarely. The new reward system is based more to skills than assignments. (Peuranen, 2017, p.20)

The rewarding which is based on skills has a lot of changing factors, and with these attributes the organization's productivity and competitiveness increase. The organization should always create a reward system which supports the company's needs, like the staff and general operations. When designing a reward system, following factors should be considered:

- What motivates the employees
- Organizational culture
- Organization's strategy
- The age structure and skill level of employees
- Legislation and taxation
- The situation of labor market (Peuranen, 2017, p.20)

On an individual level, the basics of rewarding consist of the complexity of the assignment, managing the task and the employee's capability in the specific assignment. Several companies are struggling between these three dimensions, and it is possible to practise all of them only in theory. (Sistonen, 2008, p. 189)

According to Sistonen, rewarding based only by how an employee is managing the job, or how demanding the duty is, is very short-sighted. In the last decades it is been a common trend in Finland, as well as internationally, to draw rewarding more towards to the individual level, in other words more down within the triangle. (Sistonen, 2008, p. 189)

The demand level of the task forms the basics of rewarding. By creating an estimation evaluation, it is possible to form a clear structure to rewarding. In addition, it makes it possible to do a comparison not only internally between different departments, units, and individuals, but also externally through relevant comparison groups. Defining the demanding evaluation is a prerequisite to a consistent salary politics and a rewarding that is focused on capability and performance. (Sistonen, 2008, p. 190)

Sistonen found that in successful companies' employees are rewarded due to learning and developing, and it is not based only on responsibility and performance. Depending on how demanding the task is, it is one of the important factors on which employees will be rewarded for. However, that

is not enough for equitable rewarding. Managers need to know their employees' capabilities and the level of their performance, so that the rewarding will be targeted in the right way for the right people. All in all, rewarding consists of the demanding level of the task, personal capability, developing and performance. When rewarding people, it is crucial to separate the difference between the requirements of the task, and the factors that are bounded to a certain person. In practice, this comes across as challenging. (Sistonen, 2008, p. 191)

Creating a cooperative environment in an organization requires procedures that allow interaction in the company. If the interaction has been authority oriented or heavily instructive, it might require education for both the staff and managers. Trust is based on appreciating employees and relying that they know the best how to perform their own work. Having employees to participate in decision making and planning requires an organization that has a clear aim for working and that everyone involved in the company understands it. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.5)

What comes to rewarding, the most essential element is that the qualities that employee is being rewarded are connected to the task and the quality of the performance, which is good or excellent. For example, requirement for using multiple languages: a person can be excellent at speaking French, but if it is not relevant to the task the person is being rewarded for, it is not the factor that he is being rewarded. The expected level of carrying out the task, for example with knowledge and skill, are being noticed with complexity evaluation. The capabilities which have been over expectations while executing the task, are being rewarded by skill-oriented evaluation. Personal development does not happen fast, so with skill-oriented evaluation the time reserved for reviewing should be long enough. The rewards that come within skill, should be given very deliberately and with a good reason. (Sistonen, 2008, p. 191)

Furthermore, for the demand level of the task and the capability of a person, one of the justifications for rewarding is the performance in the task. The aim for performance-oriented rewarding is to improve the performance of the whole organization by encouraging employees for better achievements. In performance-oriented rewarding, the level of rewarding is based on how well an individual has achieved personal goals that have been set. In order to do rewarding successfully, it is crucial to be able to separate measurability, distinctiveness and righteousness. These ways of rewarding are usually implemented in a short or long period of time, when the elements of rewarding are the moving parts of the salary, for example bonuses or annual salaries. Thus, promotions in personal salaries should be based on the person's performance, and the justification period should be longer than one year. (Sistonen, 2008, p. 191)

Performance-oriented rewarding has grown in the last decades at all employee levels from the manager level to specialists. According to

Lawson (2000), it is beneficial to remember that performance-oriented rewarding started to spread into specialists' level at the end of 1970's. Finnish work and salary markets followed this trend later on and nowadays performance-oriented rewarding systems are very common in Finland. (Sistonen, 2008, p. 191)

Referring to Sistonen, with the three rewarding principles mentioned above, also different rewarding elements exist. Traditionally, rewarding organizations have been aimed for 15-20% dispersion comparing to the company's market median, in other words company's target salary median. In the future there will be even wider salary dispersion based on performance and skills. This trend shows already, since the 25% dispersion has become more popular. In practice this means that if the aim salary is 3000 euros on a certain demanding level, the aimed salary dispersion is between 2250 – 3750 euros. This structure is shown in Figure 2. (Sistonen, 2008, p. 192)

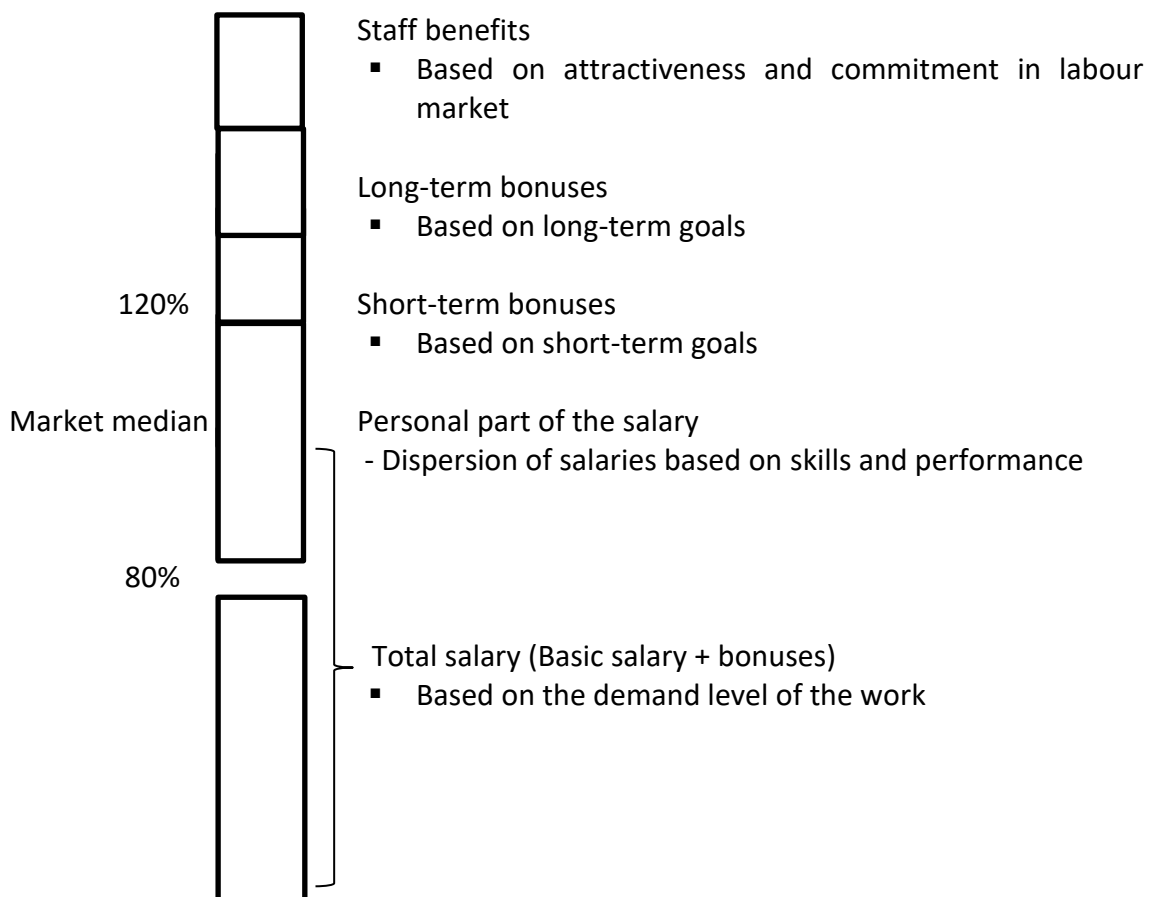


Figure 2. Typical structure of rewarding (Sistonen, 2008, p. 193)

In theory, the salary dispersion is easy to execute, but an employee's working history, rules and laws make skill and performed-oriented

rewarding challenging. When an employee moves from a more challenging occupation to a less challenging one, the salary does not drop, even though it should. This is because in companies there is an “unspelled rule” that salaries cannot be dropped, not even when the salary would be excessive compared to the current occupation. Fortunately, this model is changing away little by little in Finland, mainly because of the development of the rewarding systems. (Sistonen, 2008, p. 193)

2.1.5 The significance of motivation in rewarding and management

Motivation is a human’s inner state, desire to work in a certain vitality towards something an individual wants to achieve. The essence of motivation is the urge to work towards the specific goal and the vitality. Understanding motivation is of one the crucial part when leading an organization. Employee’s motivation can be affected in several ways: effective and qualified management, having an open organizational culture, interaction, rewarding and well-organized work. Moreover, factors that effect on employee’s level of vitality are for example own physical and mental health and personal situation in life. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 20)

In skill-oriented organizations, the meaning of motivation is highlighted not only because it effects on the results of the work and quality, but also because of the energy levels on wellbeing of employees. Assuring employee’s wellbeing commits the skilful people and creates a long-term permanency to the organizations. This is crucial for organizations whose services, products and innovations are based on cooperation among people. Success in cooperation might be a result of working several years together. Therefore, it is crucial to commit experts and emphasize their motivation continuously in companies who require cooperation. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 20)

When discussing about motivation, there are two sides: inner and outer motivation. The relationship between the two is complex, and the clear division between inner and outer motivation is challenging. Nowadays the factors that are affecting on an individual’s whole motivation is being understood as a complicated and subjective phenomenon. The same factors that are boosting the inner motivation can also boost the outer motivation, and vice versa. Thus, both inner and outer motivation are completing each other but are not dependent on one another. Motivation is frequently pictured as a continuum: Factors that are related to inner motivation, and factors that are related to outer motivation. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 21)

When an employee is internally motivated, it is rewarding, because he or she works because of the action itself. When an employee is driven by outer motivation, it is a function for the consequence. When employee is

rewarded with money, recognition or is avoiding punishment, it can be called an action that is ruled by outer motivation. The need of feeling skilful and in control is often associated with inner motivation. Other inner motivation factors are for example the work itself, mental growth, proceeding, achievements, and responsibility. The most obvious factor for outer motivation is usually connected to concrete rewarding, like money. Other drivers for outer motivation are status, promotion, good work conditions, safety, and company politics. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 21)

With encouragement, organization can underline the meaning of certain objectives and so lead the actions of individuals and groups. An outer reward raises some assignments to be more important and highlights the need of focus: it is more urgent than other assignments. In its core, it is about attract attention. Previous research has shown that there was a belief in "stick and carrot" principle. It was believed that money is the temptation where every employee is striving to. When rewarding with money was attached to an action, it was thought that the amount of that action increased. Encouragement was provoking towards action, and a reward was satisfying the need. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 22)

However, rewarding is not the only factor which affects to the motivation but it has a significant impact what comes to motivating the staff. One of the most important assignment of reward system is to motivate the staff to perform their work even better. The content level of employees is strongly connected to the employees' productivity. In other words, content employees are more productive than discontent ones. (Juopperi & Uotila, 2012, p.9)

The rewarding should be motivating towards the employee and hence satisfy one's needs. Therefore it is crucial to investigate the employees' needs. This means that management must listen to its own employees in order to provide rewarding that are motivating to them. Moreover, it is not enough to examine the average level of motivation, but it is important to consider for example age, cultural backgrounds, education and the generation the employee represents. Due to these several attributes employees will get motivation from different factors, which makes it difficult, even impossible to find a reward method which pleases everyone. (Juopperi & Uotila, 2012, p.10)

System of rewards that are experienced as fair and motivating have a significant effect on employee commitment and satisfaction towards the organization. Fairness in both procedures and leadership has been found to increase the percentage of the employees who remain at workplaces. What comes to the employees, there can be differences in needs between older and younger people, which managers should understand in order to recognize them. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.2)

Rewarding can be roughly divided into inner and outer rewarding. Inner rewarding is related to the contents of the work (versatility, dependency, diversity, is the work challenging and brings experiences of success, etc). These are subjective and emotive issues, such as content or joy of working. Outer rewarding is related to the working environment, including for instance salary, supporting and cheering from outside, recognition, possibilities to be involved. These methods are objective and are presented in a form of products or events (for example money or a supportive situation). Outer rewarding is conveyed by an organization or its representative. Inner and outer factors of motivation do not exclude each other, and they usually are affective at the same time. Some factors are more dominant than others. A motivation base varies between individuals and is dependent on an individual's personality. It is crucial to observe in what amount the behaviour is led by inner or outer motivation: employees can work because of the work itself or because it is a tool to accomplish a reward. If an employee enjoys working and is committed, it is rewarding from the inside, because the reason for working is based on the inner motivation. If an individual works for money, safety, power or appreciation, the reason for the behaviour is led only by outer factors, and the work is rewarding only because of these factors. Rewarding that comes from outside is usually short-term and needs a lot of repetition. Whereas inner rewarding is mostly long-term, and it can develop into a constant source for motivation. With this information inner rewards are more effective than outer ones. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 22)

Managers have a crucial impact on individual's motivation and how the organization is giving feedback of the work that has been performed. This feedback is usually verbal but can be concrete. If a manager does not consider the motivation factors while implementing work, and does not understand the role of a manager, the effects of rewarding tend to be mechanic. Orders and demands are followed literally, and there is no involvement or interest what is happening in the organization. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 31)

Further, employees' commitment to their work can be increased by positive humour between manager and employees. The joy of working is strongly connected to the goals of the work and commitment to the workplace. Organizations can increase job satisfaction for example with permanent contracts, which creates the feeling of security, non-discrimination and teamwork. Based on previous research, investing in the wellbeing of employees is economically viable for every profitable organization, since it has a positive impact on customer satisfaction, productivity and employee sustainability. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.3)

If motivation factors are ignored when designing the ensemble of rewarding, it may lead to aimlessness. Skilful employees are being rewarded in ways that have no connection to their motivation, and in a

way that is not meaningful to them. In an organizational level this means a big waste of resources and the target-oriented rewarding is shattered. There are millions of euros spent each year in processes that are automatized and meaningless. It is not enough that they exist: there has to be objectives built inside, both from the individual's and organization's perspective. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 31)

When employees work because they want to, the whole ensemble of rewarding needs observation. Salary is only one factor that makes it important; however, it does not mean that money does not matter. Previous research has indicated that processes which are rewarding with money have a significant impact in organization's strategy. Rewarding with money is frequently recognized as an indicator of appreciation, but not as the only one. (Kaajas, Luoma, Nordlund & Troberg, 2004, p. 32)

2.1.6 Performance and skill-oriented evaluation and rewarding

Attributes which increase the functionality of rewarding are decisions based on facts and bring out those facts to the employees as well. Rewarding must be part of the manager's work and should be developed constantly. By developing reward systems, it is possible to gain visibility for organization's strategy and objectives and take employees along to that development. Managers have a significant impact what kind of atmosphere exist in the company. In everyday life there will be an experience of a reward, an employee who feels appreciated in the company and enjoys his or her work, is also committed to the organization. (Peurala, 2017, p.22)

The interpretation of does the reward system work, is formed from employees' expectations, experiences and personal feelings. It is important that the employees acknowledge the factors which affect to the employee's rewarding. Therefore, employees might have the possibility to affect their salaries and know how other employees' salary is formed. The employees must understand the basics of rewarding in order to be motivated and function accordingly. In addition, it is recommended to get familiar with different motivation theories, so it is easier to interpret people's attitudes towards different reward systems. (Peurala, 2017, p.22)

Evaluation of performance and skills is a challenging assignment and requires certain tools, objectivity and skills. In the evaluation one should always aim for being objective, and when it is possible, use clear indicators and results. An individual's evaluation that is based on his or her subjective view should always lean on multiple sources. In addition, as for manager's point of view, other people's viewpoints should also be used, for example fellow manager's and colleagues' evaluations, self-evaluation, and if possible, customer's opinions. However, it is important to remember that

people are usually good to evaluate their own strong sides, but poor at evaluating weaknesses, especially what comes to interaction. (Sistonen, 2008, p. 132)

Being successful at evaluating skills and performance requires fairness. The experience of being treated equally affects positively on employee's health, work motivation, atmosphere, work performance and results. Fairness is frequently divided into two dimensions: fairness when making decisions and fairness in interaction. (Sistonen, 2008, p. 132)

In 1980 Gerald S. Leventhal, an American scholar, provided six proceeding methods, that can be suited in this specific area:

1. **Consistency.** This method is used continuously to every individual. This will come true if a person uses the same procedure to every employee, even though they might have different personalities.
2. **Neutrality.** Possible friendships, relations or prejudices will not affect the decision-making process.
3. **The accuracy of the information.** The procedure method must be based on something as specific and valid as possible.
4. **Flexibility.** The information which is based for decision making is possible to edit or adjust.
5. **Presentability.** Everyone who is involved to the decision-making can have his opinion heard.
6. **Ethicality.** The procedure is morally and ethically valid. Does not include bribing or intimidating. (Sistonen, 2008, p. 196)

The purpose of evaluating performance and skills is to differentiate good performances from weak performances and excellent performances from good performances. If a manager rewards people in an organization for a bad or adequate performance, it is difficult to motivate them to reach better results. In many successful companies, salaries are not at the best level. Researches from a magazine called Most Admired Companies, observed that in the world's most admired companies, they pay estimated five percent less overall salary than approximately elsewhere in current markets. Therefore, none-concrete rewarding ways are functioning well in these companies: leading is on a better level than usual and the percentage of resigning is low. By obeying this method, organizations do not have to compete with other companies on new employees or replace poor management by money. (Sistonen, 2008, p. 197)

According to Sistonen, there is a lot of potential in rewarding that has not been exposed. In its best, rewarding in a concrete and nonconcrete way will genuinely support the company's strategy and encourage the employees of the organization to make changes and new innovations. (Sistonen, 2008, p. 197)

It has been proven in different researches that dissatisfaction is more connected with performance and rewarding than in the connection

between satisfaction and performance. Firstly, dissatisfaction leads to absences, errors in manufacturing, processes and negligence, which shows as weakening of the results. On the other hand, employees who are qualified and have talent and skills, are more likely to experience dissatisfaction. The more qualified an employee is in his or her job, the more he or she will expect recognition from it. Employees who are less qualified might expect less, and the disappointment rate is lower. This will also mean that if the rewarding is not bounded to the performance, employees who are less qualified will be content and the more qualified ones are displeased. The influence experienced via rewarding is ultimately based on how justified and deserved the rewarding is. If rewarding is a consequence from performance, and they are seen as righteous, the positive dependency between wellbeing at work and performance is occurring. (Sistonen, 2008, p. 198)

When developing rewarding systems, it is important to notice that even when the rewarding system is functioning well, it is only a tool which supports the management. When organization is struggling, even an excellent rewarding system cannot fix leading that is insufficient and irresponsible. Efficient leading is an effective way of rewarding, and in order to experience functioning rewarding system, it requires good management. (Sistonen, 2008, p. 198)

Previous research has shown that the rewarding system in Finland is changing alongside the working environment. The essential elements changing are globalisation, aging of the population, and fast development in technology. Because of these changes, competitiveness is rising, effectiveness requirements are higher, the structure of the society is changing, predictability decreases, and competition of working force is tightened. (Sistonen, 2008, p. 198)

Rewarding in Finland is developing more towards performance and skill-oriented direction, following the international trend. It shows not only the increasing effect that incentive programs have, but also in solid salary moving even more towards emphasizing performance and skills. The direction is positive and implementing the method correctly it will maintain good atmosphere and the company remains profitable. What comes to managers, the development of rewarding requires them to give more feedback, setting goals, evaluating and rewarding. (Sistonen, 2008, p. 199)

Traditionally, in Finnish companies rewarding has created a levelling effect, both at a manager or an expert level. This means that inside the company the variety of salaries is relatively low, and differences are more frequent in between companies and different industries. Problems with leading and rewarding are linked to the difficulty to separate excellent performances from poor ones and qualified employees from poor. The consequence is that the qualified ones suffer and the poorer have an advantage. (Sistonen, 2008, p. 197)

In Finnish labour market employees are typically rewarded from how long an employee has been working in the company. In other words, the longer employee works in the organization, the higher salary the employee gets. However, this characteristic is fading little by little, because being qualified and skilful does not always go hand in hand with the years that an employee has been working in the organization. Evidently, when an employee works in a certain company for a long period of time, experience and vision is gained, but years can also affect negatively. For instance, resistance to change is one of the characteristics that is common for elder people and reluctance to develop personal skills. Rewarding needs to be based on the demand level of the task, performance and skill, not for instance on skin colour, gender, age or religion. (Sistonen, 2008, p. 197)

2.2 Wellbeing at work

According to different definitions, the concept of wellbeing at work is defined as a crucial part of development actions and human resource politics. Investigating employee is crucially important, as only content and happy employees use their full potential and are productive. It can be perceived as a whole formed by a sense of meaning, safety and health. In previous researches employee wellbeing has been divided into four areas:

1. Organization factors, which include goals, development and functioning working environment
2. Factors related to managers, who lead by empowering and encouraging employees and increase their wellbeing
3. Important group factors, which include open-mindedness, common rules and team spirit
4. Significant work factors, which indicates to opportunities to affect, rewards and general learning

Since employee wellbeing is a multifaceted and wide concept, job satisfaction is easier to limit only an employee's positive attitude and thinking towards the working environment and the work itself. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.2)

Vesterinen discovered that within the last decade, when discussing about working life, the conversation has been closely related to wellbeing in the workplace. In various positions, individuals have been contemplating how to promote and maintain the wellbeing in order to keep the employees working as long as possible and keep them content and committed to the workplace. The input on employee's wellbeing varies a lot among different organizations. As a result, term "Healthy Organization" has been acknowledged. The term refers to an organization that is healthy and safe

from an employee's point of view and is profitable and effective. (Vesterinen, 2006, p. 29)

It has been investigated that opportunities for education, promotion and professional challenges increase employee satisfaction. Factors which increase commitment are the abilities to control one's work and opportunities to advance in one's career. Moreover, tasks which require only a little skill indicate the change of work faster. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.2)

Additionally, one of the significant boosters for job commitment is trust in a manager, possibilities of specializing in a specific area of work and possibilities to effect on one's work. However, lack of trust towards the manager has a decreasing effect on work motivation and employee loyalty. (Laaksonen, Lehmuskoski & Kivinen, 2018, p.2)

At its best, work is an important tool for creating an identity and a resource in life. Work and the working environment can be a threat to both mental and physical health. Working life has changed to be global, and a career that lasts for a lifetime is even more rare. New skills are required from an employee who is a member of an organization and an individual, his means that an employee could gain new skills and experiences which are beneficial personally and regarding one's work. A constant ability to develop personal skills, as well as preparedness to work in a complicated and changing working environment, are issues that employees feel they need to survive. People who have grown up in different decades have also grown in different working environments and societies. The capabilities employee has acquired when younger, most likely do not apply after 10 or 20 years. (Vesterinen, 2006, p. 30)

Differences in job satisfaction can be due to a multiple variables, for example the work sector itself, nature of the work, coworkers, managers, cultural and work values, and social interaction. The key variables regarding this matter are generational differences and age. Furthermore, a research called 'Generation theory' suggests that individuals who grow up during the same period experience similar historical events and socioeconomic conditions, behavior and attitudes, which will emerge at work. (Andrade & Westover, 2018, p.2)

There are also challenges related to employee demographics. These changes will have a significant effect on the structure of workforce. In the upcoming decades the age structure will change considerably; globally, progressive aging emerges. Around 2040 there will be more older citizens than children, and by 2050 the amount will double, excluding China and Russia. Moreover, the number of workers per citizens is expected to fall from nowadays three to five to one and a half by the mid-century. Lastly, due to migration, mobility across the world and the demographic dynamics, worker diversity will raise regarding gender, age and culture. (Imperator, 2017, p.7)

In addition, two main periods will have an impact in the future on labour market: from 2012 to 2022 “baby-boom” generation enters retirement and working age population will start to decline. However, overall employment rate and employment of older people and women is expected to increase. Due to the slower increase in employment rates and pension reforms, starting from 2023 both working age population and employment rate will start falling. (Imperator, 2017, p.7)

What comes to organizational structures and individual lines, aging of population causes rather dramatic changes. ‘Age’ is usually referred as experience at work and is related to competences and skills. However, it is also closely related to managing older employees and understanding their expectations and engage them by motivation. (Imperator, 2017, p.10)

Different objectives of career are related to motivation drivers, behaviours and management. Older employees usually have reached their ambitions career wise and have more need of flexibility than motivating factors. In addition, problems related with age must be notified, for example with work rhythm.

Continuous learning plays an important role when it comes to keeping skills and competences updated along entire working life. In recent years there has been discrimination among older employees, so called ‘ageism’, which is becoming even more relevant for organizations that are managing with both young and old employees. (Imperator, 2017, p.10)

At its best, a wellbeing program in the workplace is adopted by every party and is a natural part of everyday life in the workplace. It is not arranged separately; instead, employees are involved in employee wellbeing in everyday business. In the figure four below, the whole of wellbeing in the workplace reveals that it is connected to a company’s or an organization’s possibilities, profitability and creativity. It has been proven that all the factors have a big influence on the general wellbeing in the workplace. The Figure 3 presents the factors which affect to the general wellbeing in the workplace. (Vesterinen, 2006, p. 30)

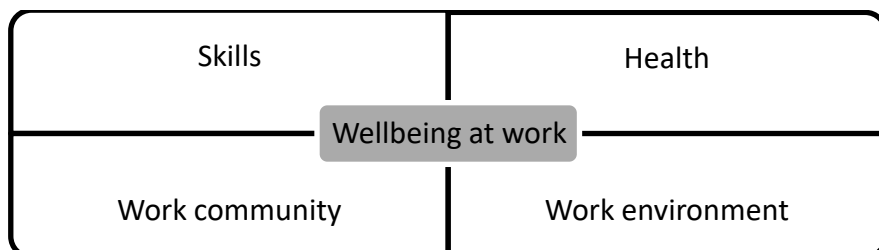


Figure 3. The body of wellbeing at work (Vesterinen, 2006, p. 50)

Wellbeing actions are an essential part of leading. One of the crucial aims can be improving the prerequisites of working. These actions are targeted to every employee. The initial thought is efficiently to work with experts and service systems outside the organization, and in those fields where the workplace does not have enough skills or resources. A functioning co-operation between internal and external staff is a remarkable factor which affects to the operations regarding wellbeing actions. Additionally, managers can promote a good atmosphere and environment by own example. (Vesterinen, 2006, p. 50)

2.2.1 Skills as a part of wellbeing

Referring to Vesterinen, the relevance of skills in a Finnish working life is a well-known fact. Permanent topics in financial and society-oriented media are the meaning of innovation and skills to the Finnish wellbeing and finance. In multiple researches it has been proven that the only way western Europe and Finland can succeed is the input on skills, innovation and networking. The same discussion is also occurring in well-developed countries like the United States. In a global world the environment of many organizations is changing and complex. It requires creativity and innovation from organizations, because they must sell to customers something that has never been on the market before. (Vesterinen, 2006, p. 51)

As stated by Vesterinen, a shallowing of hierarchy has created a new need for skills. New leading model, which is more delegation-oriented, requires responsibility partly from employees' side. Therefore, in the present working life, the level of employees' skills is close to the point what was considered earlier as a managerial level of knowledge and responsibility. (Vesterinen, 2006, p. 51).

Wide and comprehensive development on skills consists of supporting learning in the workplace, supplement education, communal learning, and creating an appreciative and sharing atmosphere. Secondly, viewing skills as a boosting factor of employee's wellbeing is to weight an employer's input in developing employee's skills as a guarantee that skills are needed in the company also in the near future. (Vesterinen, 2006, 52)

Thirdly, a way to boost employees' wellbeing is to arrange events which are reserved for developing skills which are needed to perform the work. During these days' employees can receive "refreshment" resources which are needed in the working environment. Additionally, it also creates feeling that when giving your best effort to the job, you get appreciation in return. Organized events reserved to personal development can encourage the members of an organization feel more team spirit instead of traditional days, for instance in form of parties, exercise or culture. (Vesterinen, 2006, p. 52)

According to Vesterinen, when the aim is clear, qualifications are on a demanded level and support is available, goals are not intimidating. It is natural for a human nature to give the best input, overcome obstacles and succeed together as a part of a larger community. However, not just with any price; individual needs to feel in control. Therefore, when measuring the experience of success, skills are not a significant contributing factor. When employees experience success, it builds whole organization's wellbeing. (Vesterinen, 2006, p. 52)

A working community has a crucial role in gaining and maintaining the feeling of wellbeing. Community defines goals, work assignments, resources, tools, ergonomics, the nature of interaction and the pace of the work, which all whether increase or decrease the wellbeing in the workplace. It has been proven that especially qualified leading and clear feedback system have a crucial impact on how well an employee is coping at work. Ways to improve wellbeing can be input on the atmosphere, personal appreciation, development of manager work, flexible and personal goal-and working schedules, sharing information and skills and development of work methodology and technology. (Vesterinen, 2006, p. 53)

Balance and wellbeing in the workplace are possible to possess at the same time with good profit and customer-oriented mindset. They are reverse sides of one another. A Healthy organization reflects wellbeing with good customer service and understands what is important and what to focus on. This requires discussion: real dialogue, mutual visions, rules, functioning indicators, encouraging rewarding, regular development discussions and transparency of leading. (Vesterinen, 2006, p. 54)

An employee feels excitement, support and constant development in a healthy working community. On the other hand, everyone is responsible to develop working environment. Even though a qualified leadership plays a crucial role, everyone's input is important. By involving everyone to the development process makes employees a part of challenges as well. In addition, effective communication is important. Healthy and effective working communities are built together, and every member in the organization has a responsibility in it. (Vesterinen, 2006, p. 54)

2.2.2 The stairs of wellbeing and wellbeing as a whole

When it comes to individual's wellbeing in the workplace, it is comparable to the famous theory that psychologist Abraham Maslow created: the theory of needs (Figure 5). The lowest level represents individual physiologic needs, i. e. a person's physiologic needs: sleep, food and liquids. These factors can be compared to a person's physiological shape

and health, because a human's physiological shape is the base of the wellbeing. (Ahonen & Ojala 2003, p. 20)

The needs on the second level are related to safety. When employees work, they need to be surrounded by both a safe working environment, adequate tools and physical and mental safety. This includes a safe working atmosphere, no one is being bullied or scared, and everyone is aware what to do and how to succeed at it. A part of safety is also a feeling of continuation. Although, nowadays this aspect has been losing its impact among young people: trust on your own doing and the belief you are an asset in the future has replaced the wish of continuation in the workplace. Mental health is a second part of individual's wellbeing. (Ahonen & Ojala 2003, p. 20)

The needs of the third level are linked to proximity and the eagerness to belong to a certain unit, for example a working or profession community. A social wellbeing consists of relationships both inside and outside a working place. It also supports the employee to be committed to his work and helps to carry out the workload. (Ahonen & Ojala 2003, p. 21)

The fourth level is the need to be appreciated. The appreciation in working life is mostly based on employee's skills and workmanship. Skills are also a part of the needs of other levels. Appreciation brings safety to the current working life and supports social wellbeing. An employee is chosen to teams, projects and to the work itself based on personal skills. (Ahonen & Ojala 2003, p. 21)

The highest level on Maslow's pyramid is formed of the needs to expressing yourself and implement it, for instance creativity, eager to develop own expertise, skills and growth, and achieve goals both in a personal and working life. (Ahonen & Ojala 2003, p. 21)

One additional level exists in this pyramid is spirituality and individual's own internal drive. It consists of values, motives and a personal energy. It leads to an individual's commitment and enthusiasm towards assignments he or she wants to pursue. Eventually, an employee's personal wellbeing involves own desires, values and objectives. If an employee does not want to improve his wellbeing, there are no actions that an employer can do to make it better. This is presented in the Figure 4 below. (Ahonen & Ojala 2003, p. 22)



Figure 4. Applying Maslow's Hierarchy to the workplace (Knoll, 2019)

The overall wellbeing consists of physical, mental and social wellbeing. Each of these factors can be viewed as affecting one another, and this is why the overall wellbeing at work must be considered and investigated as a whole, not just one section. If one of the sections lacks something, it can reflect to another section as well. If the work of an employee is mentally stressful, it can reflect as getting sick physically. (Ranta-Aho, 2019, p.5)

When considering the furtherance of wellbeing at work, it is distributed to the society, organizations and to an individual. The society creates the possibilities to maintain the wellbeing, for example legislation and healthcare. The mission of an organization is to make sure that the working environment is safe and pleasant. In addition, the organization must follow the instructions which are given. What comes to the individual, he or she is responsible for following the rules and instructions and his or her own lifestyle. (Ranta-Aho, 2019, p.5)

The employee's experience of the work wellbeing is formed by several factors, for example life situation, health, lifestyle, and working community. If an employee has a positive attitude, conflicts might not load as big of a burden as to an employee who has a pessimistic attitude in life. (Ranta-Aho, 2019, p.5)

2.2.3 Wellbeing in the workplace and competitiveness

Ahonen and Ojala discovered that competitiveness consists of multiple things: cost-effectiveness, productivity, quality, customer satisfaction, innovation capability and an ability to recruit qualified employees and keep them committed. For a company to be competitive in the product and service market, it must be competitive also in the labour market. Only

a content and motivated employee can produce services in which customers are satisfied as well. An organization can affect its employees' wellbeing through the factors mentioned above. Wellbeing in the workplace for example:

1. Reduces sick leaves, accident costs and incapacity of working, which affects competitiveness, productivity and viability positively. The result is a rise in cost-effectiveness.
2. Improves work satisfaction, motivation, atmosphere, and quality of services increases. The quality of processes and customer satisfaction improves, and through these factors' competitiveness.
3. Increases shared skills and improves learning of the whole organization, which enables creating new services and products and maintain competitiveness.
4. Supports commitment and motivation, which boosts reputation of the organization both in desired working place and co-operative business partner's perspective. It leads to new open markets and creates new possibilities, which maintain competitiveness. (Ahonen & Ojala 2003, p. 49)

2.2.4 Lack of wellbeing – what are the risks?

There is an easy access to acquire information, money and devices in current business culture. Information is moving fast from one company to another, from branch to branch, one country to another. However, with recent competition factors organizations can have competitive advantage only for a moment; this means that the importance of employees is growing rapidly. It is common to evaluate risks through marketing, devices, products and strategies. However, it is rare to evaluate the risks through employees: lack of wellbeing can be a significant risk to the organization. Employees who have a burn out or are not qualified enough, can escalate to be costly, and recruiting employees is more complex than fixing devices. (Ahonen & Ojala 2003, p. 65)

Risks of poor wellbeing should be recognized, evaluated and controlled with same methodology than other risks that are related to business. These risks have several consequences which affect the whole organization. A poor working atmosphere spreads to colleagues, departments and even other organizations. A poor working climate and lack of wellbeing decrease the overall value of the company. (Ahonen & Ojala 2003, p. 66)

2.2.5 Consequences of lack of wellbeing

A typical circle of burnout starts from a feeling of uncontrollability, inability to function, changes and continuous inability to learn new. An employee

experiences both physical and mental symptoms. Stress and creativity decrease, which leads to loss of competitiveness. Incapability to work increases other employee's working pressure leading to poorer atmosphere, quality and company's internal relations. (Ahonen & Ojala 2003, p. 66)

A poor atmosphere prevents sharing skills among the organization and creating new methods together. Especially young and educated employees appreciate good atmosphere and open communication. A poor atmosphere makes employees to apply for other jobs. A company's reputation suffers, and it does not attract new employees or co-operative partners. Possibilities to succeed and make result in the future weaken. (Ahonen & Ojala 2003, p. 67)

Poor management impacts the number of sick leaves. Absences increase costs, and competitiveness is suffering. Poor leading affects negatively on employees' motivation and their willingness to be involved in common goals, projects and their perception of the organization itself. Furthermore, problems in physical health increase, and skills might not be on a demanded level. Skills are not shared when the common aim is unclear. An unmotivated employee does not have the desire to create satisfied customers. Thus, customer and co-operation relations suffer, and a company's brand is unable to develop. Moreover, products and services cannot be priced. (Ahonen & Ojala 2003, p. 68)

2.3 Summary of the theories

All in all, several theories introduced in this study have a significant impact whether the author's research questions can be answered. Firstly, the introduction to inner and outer motivation is crucial in order to find out how employees are motivated and what makes an employee committed to the workplace and stay also content. In addition, investigating how an organization's reward system are based and what are their objectives towards employees was important regarding this study. Moreover, management's role is crucial when rewarding is effective, and companies must take into consideration who are they rewarding: age, gender, background and experience are factors which affect to the efficiency of rewarding.

What comes to the wellbeing in the workplace, it was important to first find out which factors affect to the experience of wellbeing in the workplace. Additionally, it was essential to go through risks and what might happen if employee wellbeing is not on a demanded level. Also, organization's competitiveness, the role of management and employees' skills played an important role in the study.

3 RESEARCH METHODS

3.1 Quantitative and qualitative research methodology

The research methodology means the collection of data and their analysis (Gauri, Grounhaug, 2005). Conducting a research is one of the crucial tools to investigate how employees perceive their well-being in the workplace. A research is a complex procedure and starts by identifying the topic and area of the research, deciding strategy and research methods, collecting and analyzing data and afterwards presenting the results. (Taylor, Sinha, Ghoshal, 2006)

Research is considered as an important factor in any profitable or non-profitable organization. Thus, researches help organizations gather information and evidence for business. It is an effective method to collect accurate and reliable information about the company by offering useful evidences. (Kothari, 2004)

Validity is in short, an instrument or a test that measures accurately what it is supposed to. This is emphasized in this study where several data sources have been investigated and analyzed. The author has multiple sources to observe the issues presented.

In its core, there are two types of research methods: a quantitative research method and a qualitative research method. It is the research question which dictates whether to use quantitative or qualitative research, or both. The data can also be divided into two parts: primary and secondary data. Specific and current analysis of the data collected by the researcher represents primary data, whereas the data, which is provided from several different sources, for instance media, literature, research papers, journals etc. are called secondary data. Primary data is usually more reliable and can be a resource when receiving feedback or when an organization is starting a process for improvement. However, collecting primary data can be time-consuming and frequently quite challenging. (Taylor, Sinha & Ghoshal, 2006)

In this research the author has used both quantitative and qualitative research methods in order to assure the reliability and accuracy of the study. In short, reliability stands for the consistency of a measure. The author investigated two surveys. The first one was made by the author in May 2019. The second survey which supports this study is conducted by an occupational health company called Finla, made in April 2019. The author used the data of both surveys, since both of them were recent and

the percentage of answers in both studies was relatively high. In addition, the aim of the author was to examine whether respondent's answers differ between these two studies.

In a quantitative research method, both structured and open-ended questions are typically presented. Open-ended questions allocate the respondents to answer the questions in a more liberated way from their perspective. In the survey made by the author, structured answers were emphasized in order to receive more accurate answers. This procedure gives the author data which is both accurate and wide.

Before sending the actual survey to the respondents the author has presented the questions of the survey to the supervisor concerned as well as the Human resource manager in NMC Cellfoam Oy. The main objectives of the author's survey were to investigate how the employees in NMC Cellfoam Oy feel about wellbeing in the workplace, their activities outside working hours, employee benefits and how their overall wellbeing and motivation could be improved for the future inside the organization.

In addition, from an aspect of qualitative research, the author conducted three interviews with employees who currently work in NMC Cellfoam Oy. The aim was to get more face-to-face information from several angles from employees of different age, gender and from employees who have worked in the organization different periods, in this study from ten years to five months. The author chose interviews as a qualitative research method in order to get more interaction between the interviewed employee in question and the author, and to gain various insights to the matter. In addition, the author was able to ask more profound questions among the interviewed employees and to gain various insights to the issue under study. Additionally, by conducting the interviews it was possible for the author to make non-verbal observations, which are valuable assets for the research. Moreover, interviews gave profitable information to the study, because the experience is subjective and individual based. Additionally, several perceptions from multiple departments and individuals build the reliability of this study.

The nature of the interviews was informal and conversational. The five questions were presented to the respondents beforehand. Respondents were free to express their thoughts and experiences. Employees were from various departments with different backgrounds, working methods and had differing views on how wellbeing, benefits and rewarding are conducted in the workplace. Because all the three respondents have different roles, objectives and responsibilities in the organization, the three interviews give abundant aspects throughout the company.

4 PRACTICAL RESEARCH

4.1 Introduction

This section focuses on the data collected throughout the duration of this research project. The author provides both qualitative and quantitative research by analysing two surveys and three interviews inside NMC Cellfoam Oy. First survey was conducted by Finla, which is an occupational healthcare company responsible of the employees' of NMC Cellfoam Oy. The second survey is conducted by the author of this thesis. Employees currently working in the company's service were able to answer the surveys anonymously. The author's survey was discussed on weekly meetings which employees from every department participated and was promoted by the managers. It was emphasized that everyone involved would answer the questions and make himself or herself heard.

The author conducted three interviews among employees who currently work in NMC Cellfoam Oy. Every interview was held face-to-face and recorded, and afterwards coded. Because of the sensitive subject, interviews were anonymous and individual.

The themes covered in the interviews are general wellbeing in the workplace, atmosphere, motivation, rewarding, and employee benefits. The discussion structure with the interviewees were based on the questions below. Interviews were held in Finnish and were translated in English for this study.

The interviewees are referred as persons A, B and C. The five questions were as follows:

1. What kind of employee benefits do you appreciate?
2. How is your wellbeing in the workplace right now?
3. What factors would improve your wellbeing and motivation?
4. What factors decrease your wellbeing and motivation?
5. What is your opinion about the rewarding system in the workplace?

4.2 Qualitative research

4.2.1 Data collection - Interviews

As mentioned before, the three respondents are from different departments with different assignments and goals, as well as from different backgrounds and having different perceptions what comes to the organization. Person A is a female, 38 years old, who has been working in the Service Centre for three years. Person B is a female, 54 years old, working in Handcraft in the manufactory. She has been working in the

company for ten years. Person C is a male, 32 years old, who has been working in the Design department for five months.

The author provided five questions, in which the respondents had time to familiarize a week before the actual interview. The five questions were focused on employee's wellbeing, productivity, benefits and rewarding systems, personal bonuses and individual motivation. The structure of the interviews was informal and conversational, and they took place between March – June 2019 at the office of NMC Cellfoam Oy, the duration varying from 35 to 57 minutes.

The author discovered all three respondents to be relatively content with their benefits in the workplace. It was mentioned that the Smartum card, which is a benefit employer offers to employees with certain amount, in this case 300 euros per year, and the possibility to use it for multiple purposes, for concert tickets or exercising, was positive. Also, the discount from lunch (from 8,95€ to 6,10€) was perceived as beneficial. Person A stated:

“Our benefits are pretty good. We have two things under control: cheaper lunch and possibility to cultivate culture and exercise.” (Person A, interview 8 March, 2019)

Person A considers employee benefits to be an easy way to increase an employee's wellbeing. Person A experienced the working environment, such as electric tables, ergonomic; In addition, stability boards and free coffee was experienced as an asset. (A, 2019)

Both persons B and C highlighted the importance of the Smartum card, and the money provided. Both suggested expanding the Smartum money (300€ annually) to reach massage services. C contemplated that it would be a great idea to invite a massager to visit the company for the employees to make appointments. According to person C, a dental care covering a certain amount of total costs would also be appreciated. (Person B, C, 2019) C was also grateful that employees can use waste materials for home purposes:

“It is nicer to lay on a mattress that we produce instead of a cardboard box when I am fixing my car, for instance.” (Person C, interview 19 June 2019)

Person C hoped for changes to educate himself. C knew that educational courses are held close to the case company which are profitable and include possibilities to visit other organizations and see how their ERPs work. ERP stands for Enterprise Resource Planning, which for example integrates organizations manufactory, invoicing, accounting and warehouse's processes. C also thought that an employee who does not get additional education, will change workplace.

According to person A, many factors have effect on her wellbeing in the workplace, for example the atmosphere and the way things are handled inside the company. A expressed the working atmosphere is not always appreciating the employees. For instance, it can be completely ignored when someone is putting effort on something. A pointed out that she is a person who observes environment a lot, and how someone is treating others will affect strongly in her actions, too.

It occurred that within the organization some employers and managers hold on old habits, as pointed out by person A:

“People refuse to take certain new, innovative, important systems and ways into action. They do not want to understand to see the big picture; there is no certain way to function. For example, if we are talking about one department which consists four to six people, each of them functions in a different way. You must know how they are functioning, not how it is assumed to function.” (Person A, interview 8 March 2019)

Person A contemplated that there is also a resistance to change, possibly due to a lack of time and resources:

“If we see the fact that there is not enough resources to do something, but we should have them, employers should understand it and hire more people and take action.” (Person A, interview 8 March 2019)

Person B told working in two shifts is affecting on work performance. The handcraft department works three weeks in morning shifts, and one week in the evenings. B felt that working in evening shifts is mixing the regular day rhythm, but not too excessively. B mentioned that colleagues and staff, who performing processes in the same way, affects her wellbeing highly in a positive way. (B, 2019)

According to the respondent C, the general atmosphere in the workplace is good. Communication is open, and employees are helpful to each other. C noted that his wellbeing in the workplace is strongly mirroring also to his civil life:

“When I am coming to work, my assumption is that I am healthy when I get back home, which is not something people can take for granted these days. I also assume that I do not have to fight here with anyone, physically or mentally.” (Person C, interview 19 June 2019)

Person C said that he is content with the working atmosphere. C mentioned that there are people who always think that everything is great, and people who think that everything is always poor. A valid point which person C stated was that some people never have the courage the express how they really feel, even though questionnaires are often done anonymously.

When discussing about motivation, A stated that developing in her own work and having different tasks keeps the work interesting and maintain the interest towards work. A had a suggestion to improve the whole process of supply chain. She also said that it concerns the whole organization, not just one or two departments. This would increase the fluency and flow of work and motivation and even be a part of it. A indicated personal factors that could motivate her more:

“Developing my own work and having more different tasks. I will get new motivation when I have a chance to do different things in my work.” (Person A, interview 8 March 2019)

Person C stated that regular breaks from work would increase his productiveness and the quality of the work. The possibility to work in a flexible way, so that an employee can choose when to work: It is positive that the “Sliding time” is from seven to nine, and from three to five.

C described himself as a community-oriented person and finds this issue as an important factor what comes to wellbeing in the workplace. According to C, different refreshment nights with colleagues and regular coffee breaks are motivating attributes and something he highly values.

What comes to the contributing factors that decreases employee’s motivation, A replied as follows:

“There has been promises that have not been the complete truth, which has decreased my motivation. For instance, I had to expand my expertise towards purchasing, but so far, my role has been small. Another role that I was promised recently was to have person’s X role when she left to have her maternity leave, but that plan has changed too. They let you understand that you have opportunities and qualification, but they should also hold on to it.” (Person A, interview 8 March 2019)

Furthermore, how people treat each other affects greatly in person’s A wellbeing in the workplace. A also felt employees are not treated in the same way between departments, and there is a lack of open communication.

Person B highlighted that time pressure can decrease motivation. Both B and C agreed that neglecting certain instructions or processes affects negatively in working. Also, according to C, if working is supervised too strictly, or employees do not have enough freedom to implement their work, it is experienced as a negative factor. Further, C pointed out the following problem: if someone else would take credit for the job C started, but someone only modified it a little, and afterwards would present it as his or her own.

NMC Cellfoam Oy has three methods for rewarding employees:

1. Personal bonuses
2. Bonuses for reaching the company's goal, which means how profitable they have been in previous year
3. How long an employee has been working in the organization, starting from five years.

In addition, an employee's salary raises by 18 cents when he or she has worked in the organization for five years. Rewards are paid and provided once per year. In 2018 employees were paid for one week's salary, in 2019 the reward was worth of two weeks.

Person B would prefer to be paid every month, not just once a year. B sees that this system is much more motivating, and boosts employees to work harder, instead of having the bonus only once a year.

Respondent C contemplated that the reward system is a complex ensemble: how the employer can reward employees equally and how the productivity is measured, for instance sales department has a direct method how to measure their effectiveness on sales. Again, if a machine breaks in the manufactory, it is a factor that employees could not help, affecting to the productivity evaluation. The most important factor in this issue is that an employee will get rewarded because of skills and qualification, not because working for the organization for a long time.

4.2.2 Analysis of the interview data

Due to the fact that wellbeing in the workplace is partly a subjective experience and interviewees who took part in this research work in different professions, answers between respondents vary distinctively. An interviewee's working experience in the workplace, age, gender and personal views on different topics affect to the results of the interviews. It emerged that all the three employees were relatively content with the benefits, and experienced the Smartum card, ergonomic aspects of the working conditions and discounts of lunches as an important factor to maintain and increase wellbeing in the workplace. It was also mentioned that educating employees is important; otherwise people can change the workplace more easily.

However, opinions varied in how wellbeing is emphasized in the company and how interviewees are motivated. Some of the interviewees experienced wellbeing to be on a good level, others did not. Colleagues were mentioned as a contributing factor which boosts the wellbeing and helps employees to perform their work smoothly and effectively. Factors that can decrease motivation were also mentioned, such as time pressure, not following common instructions, and not expressing appreciation towards each other enough. One of the interviewees experienced that the

company has a resistance to change and different departments do not behave in the same way, even though they should.

These findings support the theory, which was presented in chapter 2, Theoretical framework. Vesterinen provided that the whole wellbeing in the workplace reveals that it is connected to company's possibilities, profitability and creativity. These elements have a significant influence on the general wellbeing in the workplace. These consist of skills, health, working community and environment. All these factors are mentioned in the interviews above, which proves their importance. (Vesterinen, 2006, p. 30)

What comes to motivation, developing one's own work and the freedom how to perform it were crucial to the interviewees' wellbeing in the workplace. Moreover, refreshment nights and regular coffee breaks are also important. Attributes to decrease motivation were time pressure, neglecting instructions and if someone takes credit of someone else's work. Lack of employees and sick leaves build a burden to employees who are working. Moreover, the shifts should be designed so that everyone has a decent workload and appropriate breaks during the day.

The current reward system was viewed as demotivating: one interviewee preferred it to be paid every month, not only once a year. It was also stated that rewarding is complex: how to reward employees with fair method and how the productivity is measured among employees. In addition, the non-verbal methods for rewarding employees, for example showing appreciation, is important. Sistonen discovered that the actual motivation factors are related to the work itself, such as the content of a job, feedback, public recognition, personal development, and the experience of responsibility. (Sistonen, 2008, p. 179)

In the theory section of this study it was investigated that rewarding in the workplace is a complex process and is affected by several factors and both employer and employee. Evaluation of performance and skills is a challenging assignment and requires certain tools, objectivity and skills. In the evaluation the manager should always aim for objectiveness and use clear indicators and results. In addition, it should rely on multiple resources. (Sistonen, 2008, p. 132)

4.3 Quantitative research - Surveys

4.3.1 Data collection - Finla

The first survey, conducted by Finla, was provided for the employees to be filled in April 2019. The company held a brief session where the company's occupational nurse was explaining the essential objectives of the survey.

The response percentage was 91%, 66 out of 60 employees answered the questionnaire.

Part of the data is divided into employees who work at the office and those who work in the manufacturing due to different working conditions, methods and hours. In the following statistics some of the figures are shown with the same method respectively. In addition, Finla's survey was conducted in Finnish, and the graphs are presented in Finnish. The author translated figures for the reader (Appendix 1).

In the figure, numbers 1-4 describe how content the respondent is to a certain factor. 1 indicates very dissatisfied, 5 very satisfied. The red line is a symbol for the goal where the average result of the respondents should be (Number 3).

There are seven statements regarding employee benefits. The question in the graph was "*How happy are you with the factors that are related to wellbeing in the workplace?*" Starting from the top, factors are:

- Job assignments
- Working atmosphere
- Colleagues
- Own perspective as a colleague
- Manager's work
- What level the respondent feels his or her wellbeing in the workplace both mentally and physically.

Those factors that were experienced over 3 were work assignments (3,12), colleagues (3,48), respondent's own role as a colleague (3,17) and physical side of wellbeing in the workplace (3,1). The factors that were left under 3 are framed with red square. The factors in question were working atmosphere (2,88), manager's work (2,75) and the mental wellbeing in the workplace (2,73). (Finla, 2019)

The next two figures were divided into *two* graphs: The first sample was from the employees of *the manufactory*; the second one was from the employees who work *at the office*. The red squares present factors that were under the aimed number (3). (Finla, 2019)

Following statement is regarding physical and mental factors that can be experienced as a burden when working. The statements were following:

- I can affect to my work and it is important
- Objectives of my work are clear
- Working pace and workload are suitable
- My responsibility is suitable
- I have enough information and guidance
- I can develop myself and learn new things

- Self-imposement is appreciated
- Atmosphere in the organization is encouraging
- I get support and help from my nearest manager
- Leading is coherent
- I receive feedback from my work and working methods
- My work and result are appreciated
- My work is motivating and meaningful
- Co-operation between employees is functioning
- Employees are treated equally
- Interferencing behavior exists

Figure six presents respondents who work *at the office* (Appendix 2). The Lowest numbers were for the statements “Leading is coherent” (2,41), “I receive feedback from my work and working methods” (2,64), and “Co-operation between employees is functioning” (2,55). The last statement “Interference behavior exists” should be low, even 0. In Finla’s study the number was 1,45, which indicates to unacceptable behavior in the organization. (Finla, 2019)

The highest average had following statements; “Self-imposement is appreciated” (3,36), “I can develop myself and learn new things” (3,32), and “My responsibility is suitable” (3,29). (Finla, 2019)

Out of 17 statements, only seven passed the average goal that was aimed. However, many were close to the average: Appreciation towards employees (2,91), suitability for workload and pace (2,82), guidance and information for working (2,82), and working atmosphere (2,82). (Finla, 2019)

In the second figure employees from *manufacturing* are presented (Appendix 3). The lowest average had following statements: “I can affect to my work and it is important” (2,21), “Leading is coherent” (2,22) and “Employees are treated equally” (2,26). In addition, statement “Interference behavior exists” was higher than employees from the office (1,55). (Finla, 2019)

The highest average had statements “Objectives of my work are clear” (3,32), “My responsibility is suitable” (2,92) and “Self-imposement is appreciated” together with the same result as “Co-operation between employees is functioning” (2,82). (Finla, 2019)

The next question was concerning factors that could distract employees from performing their work. Results were divided into employees from the office and manufactory. The question was “*Do you have distractions in your work? Describe situations or factors which repeatedly prevent you to do your work correctly or fluency?*”

The respondents who work in *the manufactory* mentioned time pressure several times:

"Schedule problems, there is not enough time to perform the work carefully"

"In a hurry it is possible that quality suffers, or the number of pieces does not match what is ordered"

"Lack of employees"

"A lot of projects are overlapping with time pressure. Job performance is shattered and prevents me doing my job well"

"Urgent orders which are done in between designed ones"

Employees from *the office* stated that several interruptions and meetings affect working:

"Constant interruptions via phone or face to face usually require further clarifications that causes interruption to the work I am doing at the moment"

"Colleague's working time is not appreciated; people assume the person has time to react immediately. Working mode breaks, and usually the work has to be started from the beginning"

"Sometimes interruptions lead into mistakes"

"The number of meetings makes it hard to finish other assignments in time"

"A big part of the week's working hours goes to meetings"

In the survey, Finla wanted to investigate what different factors help both employees from manufactory and at the office to carry on in their job. Following answers are from *manufactory's* employees:

"Nice colleagues"

"Own skills"

"Diversity"

"I am content when I see the results of my own work or when I get feedback from my own solution to a common problem"

"Variety of the work. My job is enjoyable"

Next responses are from *the office*:

"Nice team and manager. I get support from others in the team and we have a good team spirit and humour"

"Success in sales, customers keep me going"

“Colleagues, conversations among working, breaks”

“I am content that we have enough work to do and I do not have to just roll my thumbs”

“Open and comfortable atmosphere between colleagues. I enjoy my work; every day is different”

In the survey, Finla asked for suggestions how to proceed with the current situation. The question was *“Do you have proposals how to improve workflow and decrease distractions?”* Respondent’s from *manufactory* answered:

“Work distribution between departments, circulation and more employees”

“Reading instructions and orders, not just assuming”

“Improve the quality of design: if there are problems or questions how things are processed in manufacturing, people would come and ask”

“Focused and thoughtful working, no hurry”

“More working hours offered instead of constantly working with maximum capacity”

Respondent’s from *the office* suggested following:

“Clear responsibilities, also personal, decision making has to be faster”

“General check-ups and deviations need to be intervened”

“ERP skills required from everyone”

“Meetings are necessary, but it would be beneficial to have an agenda for them, so everyone understands what is agreed on and would act accordingly”

“We should be a team and for work for the same result, every department”

The grade for an employee's personal capability to work is presented in Appendix 1. On the left side are the respondents from the office, on the right the respondents from the manufactory. The question is *“Evaluate your capability to work from 1-10?”* (Finla, 2019)

The average for office’s responses was 8,4 out of 10, and average for manufactory was 7,7 out of 10. (Finla, 2019)

4.3.2 Data collection - The author

The second survey was conducted by the author. The survey took place in May 2019, and employees had time to answer for two weeks. It was stated

that responses were handled anonymously, and results would be analysed together with Human Resource manager in order to improve employee's wellbeing and benefits after to research process. The author promoted the survey to be a research study for a bachelor thesis, and wide data is highly valued in this investigation.

The survey had responses between 35-37 out of 66 employees, depending on the questions asked. The answers were divided relatively evenly between the employees of the manufactory and the office.

In the survey 34,2% were female as indicated in the following figure, and 67,5% were male, as seen in Figure 5 below.

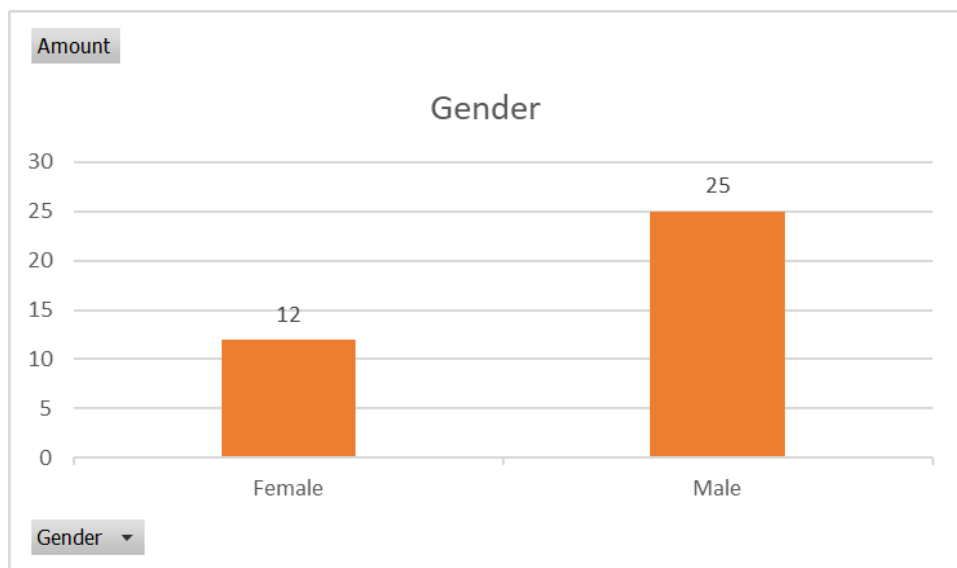


Figure 5. Gender of the respondents

In the questionnaire, 51,1% were employees from manufacturing and 45,9% from the office. From the respondents 67,6% were male, and 32,4% female as seen in Figure 5.

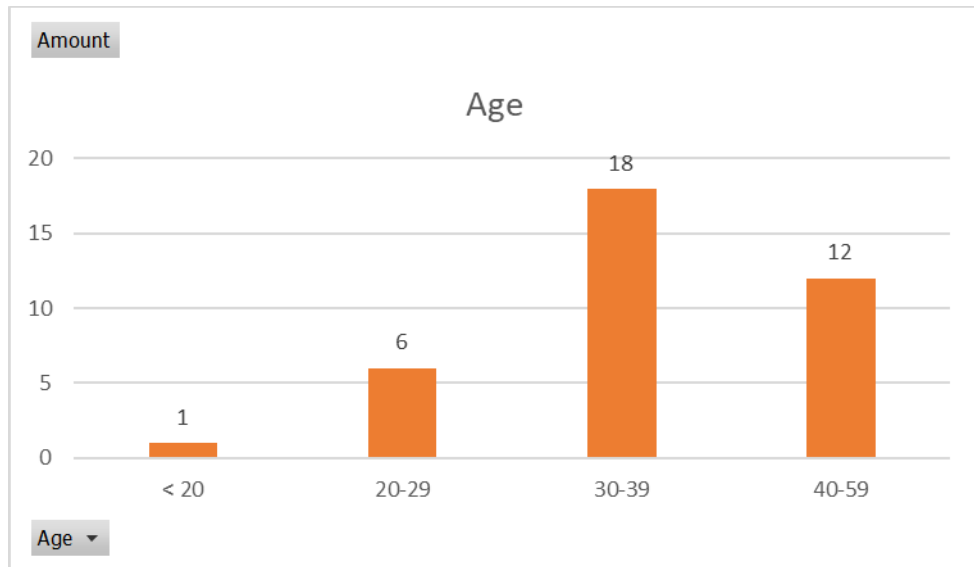


Figure 6. Age of the respondents

Majority of the respondents were from 30-39 years old (48,6%) and 40-59 (32,4%). 16,2% were aged between 20-29 and 1,7% under the age of 20, as presented in Figure 6.



Figure 7. Duration of the employee contract

When investigating employees' experience in the company, it occurred that the experience level is rather wide. The majority has worked in the company from zero to two years (36,1%), two to five years and five to ten years (25%), and the minority over ten years (13,9%).

81,1% of the respondents were aware of the employee benefits the organization offers. However, 18,9% of the respondents did not.

In this section of the survey the author investigated how content employees are with their benefits, working hours and wellbeing in the workplace. Leisure time outside working hours was also presented: would employees be interested to have activities together.

The author's survey had a list of statements which the respondents had to choose a number closest to his or her opinion. Statements were given on a scale one to five. Statements were suggested as follows:

This section listed a series of statements to which the participant had to choose one of the options:

- 5 = Strongly agree
- 4 = Agree
- 3 = Neither agree nor disagree
- 2 = Disagree
- 1 = Strongly disagree

How content are you with your employee benefits?

36 responses

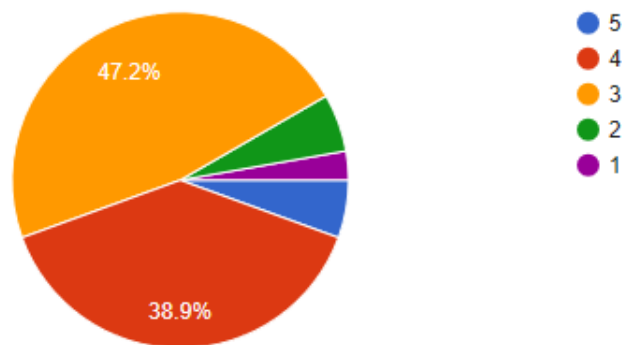


Figure 8. Content level of the respondent

As provided in Figure 8, 5,6% were very content with the benefits (seen as blue in the figure). The majority of the respondents had a neutral opinion towards benefits (47,2%). 38,9% estimated to be content with the benefits offered. 5,6% disagreed to the statement (seen as green). 2,8% were not content with the benefits at all (seen as purple).

What is the probability for you to participate company's freetime activity outside working hours?

37 responses

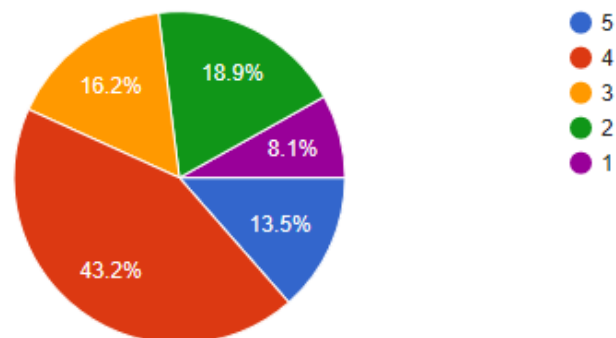


Figure 9. Respondent's probability to participate free time activity

What comes to leisure activity, the answers were divided distinctively in Figure 9. Most of the respondent would participate if employer would organize activity outside working hours (43,2%). However, answers between other numbers are divided: 18.9% does not experience the willingness to participate, 8,1% would not participate at all. 16,2% have neutral opinion about participating, where 13,5% would most likely participate to an activity outside working hours.

How content are you with the organization's rewarding system?

35 responses

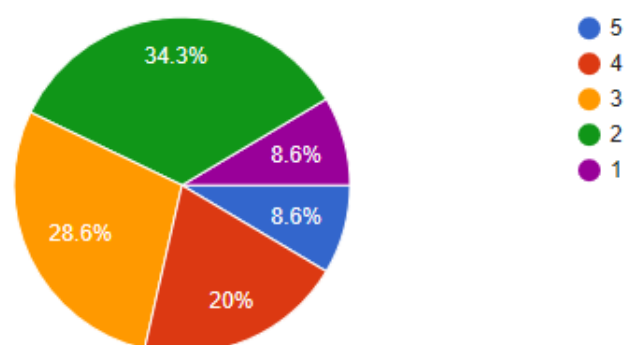


Figure 10. Content level of the reward system

In addition, answers with rewarding system varied a lot, as provided in Figure 10. An interesting factor is that only 8,6% is either very content or not content at all with the company's rewarding system. The majority, 34,3%, is not very pleased with the system, 28,6% has a neutral opinion, and 20% is rather pleased with the rewarding.

Employer gives enough possibilities to develop myself

37 responses

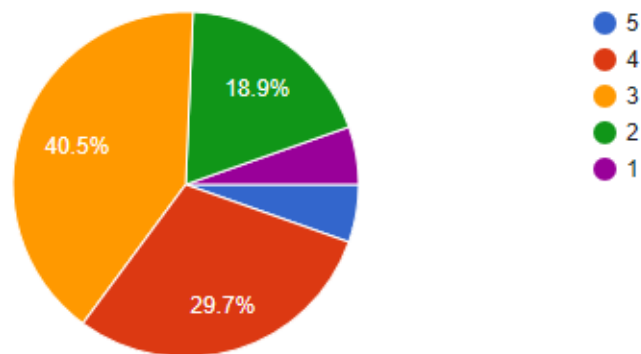


Figure 11. Development possibilities

In Figure 11 40,5% of the respondents did not agree or disagree with the statement. 29,7% felt that they have good opportunities to develop themselves in the workplace. 18,9% disagreed, which is a big number compared to 29,7%. Both strongly agree and disagree had 5,4% of the responses (seen as purple and blue).

How important developing your expertise is to you?

36 responses

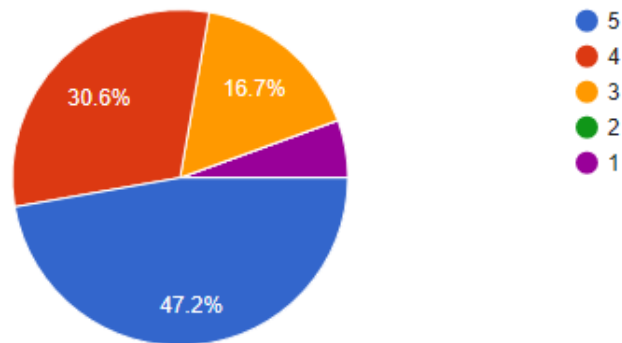


Figure 12. Importance of developing own expertise

In Figure 12 developing personal expertise was also important for the respondents: 47,2% said it to be important by strongly agreeing to the question. 30,6% was also agreeing to the statement, 16,7% had a neutral view. 5,6% answered it to be not important at all (seen as purple).

Managers understand the importance of wellbeing and job satisfaction in the organization

37 responses

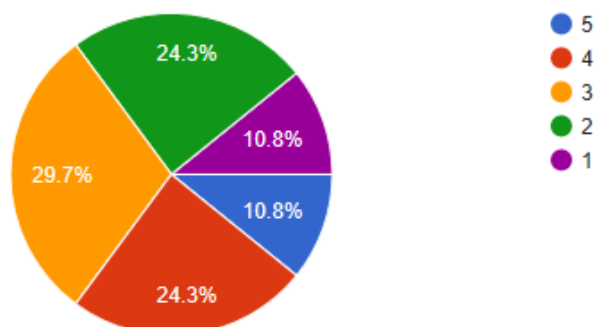


Figure 13. Understanding the importance of wellbeing and job satisfaction

Responses were also diverse what comes to managers' understanding towards wellbeing and job satisfaction in Figure 13. 10,8% both strongly agreed and disagreed to the statement that managers understand the

importance of these factors. 29,7% had a neutral response, and 24,3% were both somewhat disagreeing and agreeing to the statement.

Furthermore, the author provided two open-ended questions handling employee benefits and leisure activity. The idea was to get as much suggestions and views what would be the best options for leisure time activity and how to improve current employee benefits. Both questions got 25 responses. With employee benefits respondents mentioned multiple times a massage option for the Smartum card, different health care services and more diverse options for lunch and breakfast in the workplace. Sport activities like ice hockey, floorball and badminton had several suggestions, as well as organized sport event and sauna evenings. The author has chosen samples from the respondent's answers. The questions were following:

- *Which employee benefits would you appreciate from the employer?*

"Wider healthcare services, the amount of money in a Smartum-card could be bigger"

"Massage services that could be provided partly or as a whole"

"Healthy and versatile breakfast, dental care"

"Support for exercising"

"Health and wellbeing services, supporting culture and exercise, leisure activity"

- *What leisure activity would you like to have with colleagues?*

"Sporty events like "Running with women"

"A common game shift could be tested (football, floorball etc.)"

"A game shift (for example badminton), activity events like team city challenge, sauna nights"

"A cultural course for the whole staff that lasts one evening"

"A cruise"

4.3.3 Analysis of the survey data

In this chapter the author analyses the results received from the three resources, which were the three interviews and the two surveys, contemplates different factors affecting to the responses, and finally provides suggestions how to proceed in the future in the light of founded results. Additionally, the author analyses the data results which were received from the two surveys. Firstly, this study analyses the survey which was conducted by the author, and afterwards the survey provided by Finla.

According to the data, which was discovered from the author's survey, most of the employees are either content with their employee benefits or do not exactly know whether they are content or not. This indicates that the case company has a significant chance for improving their benefits. In addition, small amount of the respondent's disagreed or strongly disagreed to the statement.

When analysing the content level of the reward system, it appeared that answers were divided distinctively. Most of the respondents disagreed to the statement whether they are content with the reward system. In this question indecisiveness also occurred. Few respondents either strongly agreed or disagreed to the statement. This might indicate that the organization is not aware how the employees would like to be rewarded and has not taken actions to resolve the issue. As stated before by Sistonen in 2008, rewarding elements must be closely connected to the task, demand level and performance an employee is rewarded for. However, rewarding based only for the performance is rather short signed. In 2000's different organizations have taken actions to draw the rewarding more towards to an individual level. (Sistonen, 2008, p.190)

Moreover, it was discovered in the author's survey that development possibilities and the possibility to develop own work is highly important to nearly every respondent. However, a significant amount of the respondents answered that they do not neither agree nor disagree with the proposition "Employer gives enough possibilities to develop myself". This is somewhat worrying, since it is experienced as an important factor in the organization. Due to the dispersion of the answers to these issues, it might be that the employer has different possibilities for personal development in different departments in the company. This is also something that should have more consideration; every employee should have the same premises to develop themselves.

Another interesting point made in the author's survey was a wide dispersion of respondent's answers to the question about managers' understanding towards employees' wellbeing and job satisfaction. If in an organization these factors are taken care of, the responses should harmonize together. However, this was not the case in the case company. This might indicate the fact that the managers do not have a solid method to lead their employees, which decreases the credibility and reliability. In addition, the responses could also refer to insufficient leading, which, according to the responses, exists in the organization.

Employee benefits and activities which respondents would appreciate where closely related to activities which can be pursued together as a group. This finding supports Vesterinen (2006), who found that organized events which are reserved for personal development can encourage employees to experience more team spirit. In addition, the importance of healthcare services and exercise were mentioned. As presented in the

theory section of this study, wellbeing in the workplace consists of work community and environment, health and personal skills. In addition, the role of working community is crucial to maintain and gain employee's wellbeing. Moreover, qualified leading and clear feedback has a crucial impact on how an employee is coping in the workplace. (Vesterinen, 2006, p. 52-53)

The second survey studied was the survey conducted by Finla. The factors that employees felt the most content were related to their colleagues, their own experience as a colleague and to the physical side of wellbeing in the workplace. However, those factors which were experienced as the most discontent were related to working atmosphere, managers' leading and the mental wellbeing in the workplace. It seems that employees are satisfied with their colleagues and to themselves as a part of an organization. In addition, the physical side of the work was on a decent level. Moreover, other results are quite worrying. Poor atmosphere prevents creating new ways to work and prevents sharing skills. The result is that company's reputation suffers, does not attract new employees or business partners. Success and profit can be more challenging to achieve, as pointed out by Ahonen and Ojala (2003, p. 67). (Ahonen & Ojala 2003, p. 67)

Moreover, the objective in the study was to investigate factors which affect positively and negatively to the employee's work. Respondents from the manufactory mentioned time pressure and lack of employees several times as an element which decreases productivity. Respondents from the office brought up constant interruptions and meetings as negative factors. These issues were mentioned also in the interviews. When an organization hires new employees, they will ask questions and integration will happen. However, the author believes that proper written instructions and initiation will help to solve this issue.

In addition, the author investigated factors that increase wellbeing in the workplace. Colleagues, own work, variety and adequacy of work were experienced as valuable. In addition, Finla asked for suggestions on how to proceed with the current situation. Respondents raised suggestions like circulation of work assignments, more employees in order to avoid time pressure and clear responsibilities among employees.

In addition, time management was a problem: employees wished for more effective meetings and faster decision making. Similar skills for example with ERP system were also required in order to maintain the communication smooth.

These findings might indicate that general communication is not in the required level in every department. According to Vesterinen, comprehensive and wide development on skills consists of supporting learning in the workplace, education, learning and appreciating and open atmosphere. Lack of these factors makes the organizations less effective,

increases risks of miscommunication and mistakes and decreases the spirit of working community. Additionally, same abilities are not required from every employee. This might escalate to conflicts because employees do not “speak the same language”. (Vesterinen, 2006, p.52)

As emphasized by Vesterinen (2006), a working community has a crucial role in gaining and maintaining the feeling of wellbeing. The community defines goals, work assignments, resources, tools, ergonomics, the nature of interaction and the pace of the work, which all either increase or decrease the wellbeing in the workplace. It has been proven that especially qualified leading and clear feedback system have a crucial impact on how well an employee is coping at work. In the light of these findings, it seems that feedback system and leading are not in the required level in the case company.

4.4 Reliability and validity

Reliability is defined as an experiment, test or measuring procedure which leads repeatedly to a same trial. Reliability is a concept how to evaluate the quality of the research, with the purpose of gaining understanding to the concept in question together with good quality theory. In this study the research is valid since the research question and collection of data (surveys, interviews and observations) are conducted in a systematic way, and the percentage of answer is relatively high (Finla 93 %, Author 56 %). In addition, both in the surveys and interviews the respondents were from different departments. Answers obtained from this research are beneficial for both the employer and the employees of the organization.

The aim of this study was to gather perceptions of the employees regarding wellbeing, motivation and organization’s reward system. Respondent’s feelings, opinions and experiences were reflected in the answers, which makes them reliable sources. It is challenging to get identical answers from different individuals, which also supports the reliability of the research.

The author also investigated that the results of the two surveys were different. However, the response percent was different in both surveys, and this fact affected to the results. In addition, the way questions are formulated have a major impact how people will answer the questions. These factors affect the reliability and might partly explain the differences.

The author used both qualitative and quantitative research methods in the study. Three interviews were part of the qualitative research, whereas two broad surveys conducted both the author and occupational health

company Finla were responsible to cover the quantitative part of the research.

The author decided to perform both research methods in order to obtain all aspects of the issues presented. Furthermore, as complex matter as wellbeing is, the author contemplated that in order to achieve as reliable and valid data as possible, both methods should be included to the study.

The study has covered the main theories to support the data presented. Additionally, chapters above introduced the basic elements of rewarding and factors what wellbeing in the workplace consist of. After the theory part the author analysed the findings which were made; discontent of time pressure, workforce, reward system and developing opportunities. Interruptions of work and multiple meetings were also distractive elements for the employees. Furthermore, factors like colleagues, variation of work and employee benefits were experienced as factors which increase the wellbeing in the workplace.

5 RECOMMENDATIONS

5.1 Recommendations to the case company

Organizations investigate wellbeing for multiple reasons. Employees find different resources for coping individual work, factors for motivation and carrying on in the workplace in everyday life. After analyzing and evaluating the impacts regarding wellbeing, various issues were explored.

Vesterinen investigated that ways to improve wellbeing can be input on the atmosphere, personal appreciation, development of manager work, flexible and personal goal-and working schedules, sharing information and skills and development of work methodology and technology. It would be beneficial to the case company to unify the induction of the work, so every new employee would have the same premises to perform the work required. This also helps the information flow from one employee to another, and every employee has a mutual understanding towards the

work. Moreover, being equal is emphasized by requiring similar tasks and skills. (Vesterinen, 2006, p. 53)

Another recommendation from the author is to pay attention to employees' motivating factors. As previewed before, motivation has a crucial impact on employees' performance and wellbeing in the workplace. In addition, managers have a crucial role what comes to giving and receiving feedback. The author's recommendation for the case company is to observe employees' motivation and wellbeing by receiving and providing feedback and encourage the organization more towards to an open communication. In addition, the author recommends to take action what comes to the recruitment process: in the surveys time pressure was mentioned several times. Employees' wellbeing and quality will most likely improve when people have enough time to perform the work assignments. Also, employees would appreciate wider employee benefits; the employer could consider increasing them in order to make it as a contributing factor towards better employee wellbeing. However, most of the respondents experienced the employee benefits to be on a good or satisfactory level.

The current reward system was experienced as demotivating. It is recommended that the employer would listen to improvement ideas, for example that bonuses would be paid once per month as stated before in one of the interviews instead of only once a year. This might lead to even better motivation inside the organization and among employees.

Moreover, at the office it would be beneficial to have a clear agenda for meetings, so employees have enough time for their individual work. Several respondents mentioned unorganized meetings as a factor which decreases their working ability.

The possibilities to develop individual abilities were experienced differently. The recommendation for this issue for the employer is to contemplate the organization's structure what are the development possibilities and make them equal to every employee to every department. This would assure that employees do not feel unequal what comes to developing own skills.

5.2 Recommendations for further research

Since there are gaps in the author's research, it would be beneficial for the case company to do further investigation regarding presented issues. The author would recommend the case company in-depth exploration towards the wellbeing in the workplace: how employees will be fully committed to the organization and how to influence those factors. Further research might compare, for example, results before and after exploring which factors would engage the employees more and employers implement it. Research could explore the role of leadership towards other possible

research team members, in this case employees, and how collective leadership might support productive wellbeing involvement and development.

Furthermore, investigation to carry out a full cost–benefit analysis of the case company’s reward system of employee benefits in research would be beneficial. Even though methodologically it might be quite challenging, it would be useful to conduct some longer-term studies which would quantify the significance of rewarding on such key indicators as motivation, demand level and skills.

In addition, it would be helpful to capture qualitatively the experiences and perspectives of employees who have had negative or mixed experiences regarding the general wellbeing in the workplace, since it might be less likely from them to participate voluntarily in studies of improvement and development. Similarly, further research might explore the experiences of seldom-heard groups or employees involved in research.

6 CONCLUSION

The aim of the research study was to gain answers and suggestions to research objectives how NMC Cellfoam Oy could improve their employee’s wellbeing in the workplace together with its rewarding system. In order to gain required information, the author analysed theories related to these issues: basic elements of rewarding; from where it consists of, how organization’s use different rewarding systems and how it effects on employee’s working performance. Furthermore, theories related to wellbeing were introduced; motivation from Herzberg’s and Maslow’s point of view, internal and external factors regarding wellbeing, individual skills, organizational culture and behaviour.

As for the practical part, the author conducted both qualitative and quantitative research methods in order to gain as versatile data as possible. The author found that wellbeing in the case company varies significantly among employees and should be supervised by the managers: trust in employees and letting them decide on things as well will commit them in the workplace and employer gets motivated and engaged employees.

It was found that the case company’s employees were relatively satisfied with employee benefits and colleagues. However, employee’s wellbeing is threatened because of time pressure, slow decision making, unequal skills among employees and lack of workforce. In addition, personal development opportunities are not appreciated and emphasized enough.

Additionally, the findings showed that the reward system in the case company has space for improvement. It was found out that employees are relatively dissatisfied with the current reward system and would like it to be changed. The author provided a set of recommendations for these issues mentioned above.

All in all, wellbeing in the workplace is complex issue for both an employer and employees and needs the effort and engagement of both parties in order to blossom in its full potential. An employer needs to trust its staff and take proactive actions instead of being reactive. It is therefore recommended that there should be an increase in awareness regarding the dynamics of mental well-being experiences of NMC Cellfoam's employees and understanding such dynamics could provide a valuable tool for successful mental and physical work wellbeing for the future.

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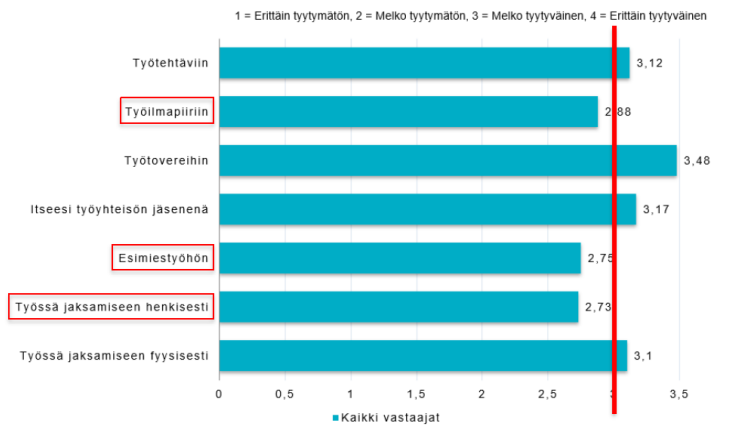
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APPENDICES, in Finnish

Appendix 1

Kuinka tyytyväinen olet seuraaviin työtyytyväisyyteen vaikuttaviin asioihin? Kaikki vastaajat



Appendix 2

Psyykkiset ja sosiaaliset kuormitustekijät työssä / Toimihenkilöt

10. Arvioi seuraavien psyykkiseen ja sosiaaliseen kuormitukseen liittyvien tekijöiden toteutumista työssäsi.



Psyykkiset ja sosiaaliset kuormitustekijät työssä / työntekijät

10. Arvioi seuraavien psyykkiseen ja sosiaaliseen kuormitukseen liittyvien tekijöiden toteutumista työssäsi.



1 erittäin harvoin tai ei koskaan / 2 melko harvoin / 3 melko usein / 4 toistuvasti tai lähes aina

Arvosana työkyvyillesi asteikolla 1-10?

