



# Determinants of Employee Motivation and their Impacts on Performance

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# **Determinants of Employee Motivation and their Impact on Performance**

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The main purpose of the thesis is to study the determinants of employee motivation and their impact on employee and organizational performance in a specific environment of KOKORO sushi restaurant. Another objective is to develop employee motivation strategies that can be effectively applied in the company. The research attempts to support KOKORO restaurant management in measuring the degree of employee motivation and improve the provision of motivational factors to create a healthy, balanced and motivating working environment.

The thesis reviews a set of different theories relating to motivation and performance. Organizational behavior is the inclusive topic that covers a number of studies about psychology, sociology and anthropology; study of motivation is one of the important aspects of this topic. Motivational theories developed by Maslow (the hierarchy of needs) and Herzberg (two-factor theory) are considered to be the most relevant foundation to the development of the research. Studies of extrinsic and intrinsic motivation and elements directly link to the research outcome. Finally, research on different aspects of work performance provides an understanding of employee motivation's impacts.

To obtain the objectives of the thesis, two research methods were employed. A semi-structured interview was used to collect qualitative data from the HR manager of the case company and a web-based survey questionnaire was used to gather quantitative data from the employees of the company. Findings from both research implementations helped the author evaluate the currently state of employee motivation and its impact at KOKORO Oy. The results of the research allowed the author to develop a set of strategies and action plans that help the company management measure and improve their employee motivational level.

Keywords: employee motivation, employee performance, organizational behavior

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## 1 Introduction

Human asset has been argued to be the most valuable and volatile asset that any organizations may possess. A business can only operate effectively if its human workforce is managed properly and motivated to perform at high level. The study of how to achieve a dynamic workforce, Organizational Behavior (later used as OB), as it is called, has been around since the Industrial Revolution. Within the topics OB covers, employee motivation is a prevalent issue. There is a direct relationship between employee motivation and human resource performance attained at the workplace. For such reason, it is significant that managers can identify the motivational factors that determine employee behavior while accomplishing daily work activities. (Coquitt el al. 2017, 6-7, 162-164.)

Persistent implementation of work motivation leads to numerous positive performance outcomes. These include, increased productivity and reduced employee turnover. (Smith and Cranny 1968.) This impact is particularly desirable for the case company KOKORO sushi restaurant. Food service is a labor-intensive type of business. The decisive influence of employee performance on business success has driven the company's management to seek for measures to encourage its staff to work more effectively and engagingly. Having worked for the company for more than three years with hands on experience in different positions, the author decided to research about the factors influencing the company's employee motivation and proposed to help the management develop a model on this topic to improve its performance.

The research questions proposed are:

- How motivated are the employees at KOKORO Oy?
- What are the intrinsic and extrinsic factors that influence employee motivation at KOKORO Oy?
- How does employee motivation affect employee performance at KOKORO Oy?
- What can be done to improve employee motivation and satisfaction at KOKORO Oy?

The first taken step in conducting this research is to examine a list of theories relating to studies of Organizational Behavior, motivation and the impact of motivation on performance. The first theories covered are the definition of Organizational Behavior study, its prominent researches and their impact on the study of employee motivation. Second theoretical part mentions two motivation theories that the author considers most relevant to the purpose of the research. The third theory is the two types of motivators: extrinsic motivators and

intrinsic motivators. The last part of the theoretical background includes issues of employee performance that are affected by the status of work motivation.

The research methods used for the study are a combination of a quantitative approach in form of online survey questionnaires targeting all the current employees and a qualitative research in form of a semi-structured interview with the participation of the Human Resource (later used as HR) manager of KOKORO Oy. The findings of two research were utilized to develop a set of employee motivation strategies and action plans that can be applied into the process of human resource management at KOKORO Oy. These plans and strategies aim to assist the company in enhancing work motivation and measuring motivational level of the workforce.

## 2 Company description

KOKORO Oy is a private company founded in September 2016, located in Vallila, Helsinki. KOKORO sushi is classified as a casual dining restaurant offering a wide range of dishes from sushi sets to rice bowls and other lunch meals, along with a list of various beverages. Customers spending their time at KOKORO restaurant can enjoy a casual dining experience. The design of the restaurant allows customers to observe the process where sushi is prepared by kitchen staff. KOKORO restaurant is decorated in a friendly, green and relaxing way that ensures to provide customers with the most comfortable ambience. KOKORO sushi distinguishes itself from competitors in the market by providing the “Pick-n-Mix” concept that allows customers to design their own sushi sets with any of their favorite sushi pieces. (KOKORO Sushi Facebook page 2020.)

During the time working at KOKORO Oy, the author acknowledged that the company management give prominence to quality food, excellent service, healthy work environment and energetic workforce, claiming them the core values of the business. KOKORO team has grown over the year from a small group of five to almost twenty staff members as the business develops and expands. The company management team thrives to create a professional, educational working culture that promotes self-development, teamwork and leadership. Thus, like any other organizations, KOKORO Oy is saddled with the challenge of establishing a strategy that helps to attain maximum motivation of their employees and improving their performance.

Working on the project, the author realized that although there has been a number of researches on how to motivate employees and the motivational factors affecting them, there is limited studies that observed how employee motivation influences employee performance. The research gap is due to the fact that statistical relationship between two constituents

were not well situated. This thesis aims to fill in the gap by studying this connection within the environment of KOKORO Oy.

### 3 Theoretical reviews of Organizational Behavior, Motivation and Performance

This chapter provides reviews of studies on Organizational Behavior, Motivation and Performance. Reviewing these theories helps the authors establish the foundation for the research. Knowledge obtained from studying these theories supports in the process of research design and development. The author selected secondary data of these studies from different academic sources including books, journals and online articles with relating topics.

#### 3.1 Organizational Behavior

Organizational Behavior (later used as OB) is a field of study that analyses the behaviors of individuals, groups and structure within organizations and the impact of these behaviors on the performance of such organizations. The research of OB devotes to the purpose of understanding, explaining and improving the attitudes and performance of individuals and groups in organization. The application of OB research studies helps managers solve employee-related challenges, examine job satisfaction, absenteeism, improve employee turnover, productivity and human performance. (Coquitt et al. 2017, 6-7.)

OB concepts and theories are actually contributed by a variety of disciplines. These disciplines include psychology, social psychology, sociology and anthropology. The studies of industrial and organizational psychology contribute in the individual and micro-level, including research on characteristics and job performance. Social psychology supports the research on emotions, satisfaction and team processes. Sociology backs studies on team behaviors and organizational structure. And anthropology impacts on the research of organizational culture. The major contributions of these disciplines are indicated in figure 1. (Robbins and Judge 2018, 36.)

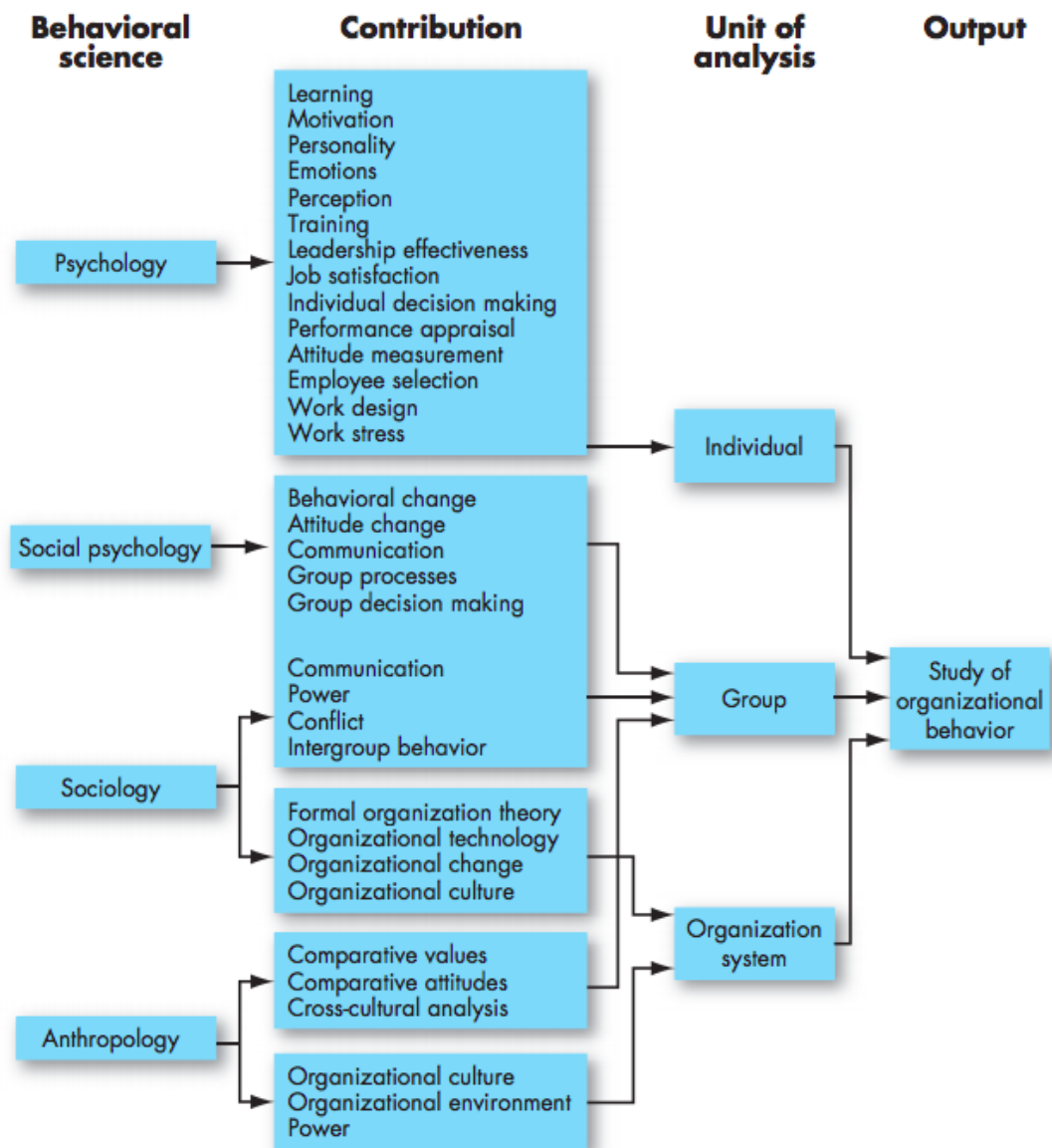


Figure 1: Contributions of Organizational Behavior disciplines. (Robbins and Judge 2018, 37.)

Psychology analyses human behavior, so its focus is on the individual level. Psychology scientists aim to measure, explain and, in some cases, change the behaviors of a character. Modern studies of psychology science contribute to OB in research about, as presented in figure 1, learning, needs and motivational forces, personality, emotions, perception, training, leadership, job satisfaction, individual decision-making process, attitude measurement, performance appraisals, techniques for employee-selection, work design and work stress. (Robbins and Judge 2018, 37.)

Social psychology studies how a person's thoughts, feelings and behavior can influence and be influenced by his or her social environment. Social psychology can be considered a branch of psychology as it also seeks to measure, understand and change attitude of an individual.



Research of social psychology contributes to OB study on a group level. It recognizes communication patterns, build trust within a team, and it supports studies of group behavior, power and conflict. (Robbins and Judge 2018, 37.)

Sociology studies human social relationships and institutions. Sociologists study the impact that surrounding cultural and social structures has on human action and consciousness and vice versa. Therefore, on the group level, sociology study too, contributes to OB through research on group behaviors, communications, power and conflict. However, researches on organizational technology, change, culture and formal organization theory are the most significant contributions that have been made by sociologists to OB on the organization system level. (Robbins and Judge 2018, 37.)

### 3.1.1 The importance of OB and its impact on employee motivation study

Although the impact of behavioral practice to businesses has been proven by many scholar and practitioners in the management field, the importance of OB, has been questioned throughout the history. Many wonders whether there is any value in learning and practicing OB management in a business environment. Some would argue that it is more essential to have the knowledge of accounting and finance. Some would think it is more important to practice good marketing since it helps engage customers, maintain demand, reinforce firm's reputation and boost sales. (Coquitt el al. 2017, 9.)

It is unarguable that customers would be attracted to a quality product regardless of how motivated, happy and committed the company's employees are. However, a well-produced product may attract customers for a short time, but a well-maintained workforce can keep the product good for a long time and therefore, retain customers over a long-term. An effective OB management helps motivate employees, enhance their performance, and establish a trusting relationship with the firm's management. An engaged workforce therefore results in numerous positive outcomes: improved productivity, increased profitability, reduced in absenteeism and turnover rate. (Coquitt el al. 2017, 10.)

Throughout the history, there have been a number of human management studies conducted in order to explore the relationship between job satisfaction and productivity as well as to affirm the role of employees as the foundation of business and of a democratic society. The findings of these studies have help managers get insight on how employees act according to their needs and desires and assist them in developing organizational aspects that motivate and increase the performance of their workforce.

One of the very first fully formed theories of human management was the work of Frederick Taylor on *The Principles of Scientific Management*, also called Taylorism, published in 1911. Taylor proposed his methods of breaking jobs into simple tasks, minimizing skills

requirements, and reducing apprenticeships. Taylor conducted a number of experiments called the Time studies with the use of stopwatch with attempt to find the optimal way for workers to perform their jobs. The main objective of Taylorism theory is to achieve productivity enhancement by systematic management. (Frederic Taylor and Scientific Management 2010.)

The Scientific Management theory explores workflow by analyzing and synthesizing it. The theory proposed four principles: First, replace the 'rule of thumb' work methods with scientific work methods so as to perform tasks most efficiently. Second, assign each worker to the job most suitable with his capability and motivation, then train him to master that specific field. Third, cooperate with employees to ensure scientific methods are performed properly and meet their purpose. And fourth, delegate jobs equally between managers and employees so that managers can focus on planning and training employees accordingly to scientific management principles, and employees actually perform their tasks. (Frederic Taylor and Scientific Management 2010.)

Contributing to improvement of productivity and having significant impact on the industry, Taylor's principles of scientific management still faced a number of controversies. The theory was considered dehumanizing to employees and was argued to be the cause for making jobs become monotone as employees lost their autonomy and could not choose their own ways to perform their tasks. (Frederic Taylor and Scientific Management 2010.)

The Hawthorne studies, conducted in 1924, marked the initiation of the Human Relation Movement and the Behavioral Management Theory. The studies were conducted in the Western Electric Company's Hawthorne Works Plant in Cicero, Illinois by psychologist and organizational theorist George Elton Mayo who was also a professor of Industrial Management at Harvard Business School at that time. Together with his research assistant, Fritz Roethlisberger, Mayo organized different experiments to analyze the behaviors of workers in the Hawthorne Works division. The result of the nine-year study was published in 1938, presented a shift in management study from a scientific method to a multi-disciplinary approach. (Anteby and Khurana 2012.)

By investigating the behaviors of the female workers in the relay test room over the years, Mayo realized that these women developed a stronger and deeper relationship with each other as time went by, and as they grew a collective and common purpose, their productivity rose gradually. Aside from this observation, Mayo incorporated extensive interviews in an informal manner in attempt to uncover the connection between the workers productivity and other factors such as work conditions, specific jobs, supervisions and so on. (Anteby and Khurana 2012.)

The findings of Hawthorne experiments not only determined the value of association among workers, but also indicated the importance of recognition and social acceptance to employees. The study showed employee performance was significantly affected by the way they are treated. Their performance improved according to the respect they receive from their supervisor and managers. With this study, Mayo suggested that managements need to realize the needs, aspirations and motivations of their employees and start treating them as human beings instead of economic beings. (Behavioral Management Theories: Human Relations Approach 2017.)

Taylor's Scientific Management and Mayo's Hawthorne studies play important role in the commencement of the Human Relation movement, sparking the shift in focus of organizational management into the well-being of employees with effort to enhance loyalty, foster productivity and tackle high turnover rate. This paradigm shift has also inspired the increasing number of researches on employee motivation and its impacts, leading to the development of many renowned motivation theories that have been relevant till today. (Anteby and Khurana 2012.)

### 3.2 Motivation theories

In the book *Organizational Behavior: Improving Performance and Commitment in the Workplace* (2017, 162), Colquitt, Lepine and Wesson stated that "Few OB topics matter more to employees and managers than motivation." Employee motivation plays a fundamental role in organizations that establish strategic goals for achieving high performances. Out of a number of different motivation theories that the researcher has studied, Maslow's Hierarchy of Needs and the Two-Factor theory of motivation developed by Herzberg are two of the most significant theories that have been widely applied by several organizations into the practice of improving employee motivation. The studies of Maslow's and Herzberg's will be reviewed in the next two sub chapters.

#### 3.2.1 Maslow's Hierarchy of Needs theory

Abraham Maslow introduced the hierarchy of needs theory in 1943 in the paper *A theory of Human Motivation*. In this theory, Maslow proposed that human beings are driven by unsatisfied needs, and that only after obtaining the needs at the lower level that people will seek for satisfaction of the needs at a higher level. In other words, the most prepotent goal will dominate the consciousness of a human, so other less prepotent needs are minimized or forgotten. The person will be preoccupied with this goal until it is fairly well satisfied, that is when the higher leveled needs emerge and become the dominant motivator. For instant, no one cares about his self-esteem when his physical needs such as food, water or shelter are not satisfied. (Maslow 1943.)

The hierarchy of needs is presented in the form of a pyramid with five distinctive levels. The most fundamental needs are presented at the base of the pyramid, these being basic survival or physiological needs. The more abstract, idealistic needs are placed at the top, with the most complex one being self-actualization presenting all one is capable of becoming. The hierarchy of needs pyramid is commonly described as in figure 2 below.

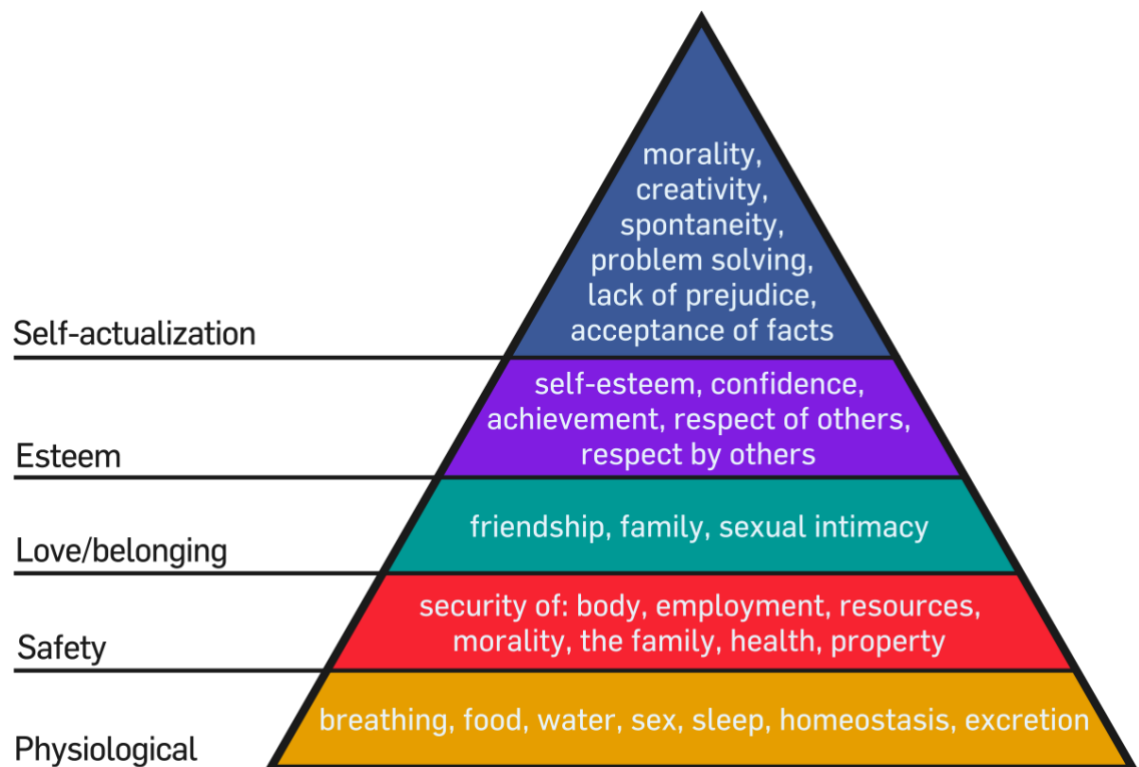


Figure 2: Maslow Hierarchy of Needs. (Wikiversity 2011.)

Physiological needs are the most essential, most fundamental needs that one needs to survive. Factors such as food, water, air, shelter and so forth fall under this category. These needs help human satisfy their hunger, thirst, physical drives and comfort. These basic survival needs are not usually threatened at a workplace environment, but in some cases, hunger can affect employee performance. (Macrae and Furnham 2017, 16.) Physiological needs can be achieved through financial compensation offered by the organization.

The second most important needs according to Maslow are safety needs. These present the protection from physical and emotional threat in an atmospheric environment. In a workplace environment, the lack of job security, financial security and healthy working environment can directly demotivate employees. (Macrae and Furnham 2017, 16.)

Social or belonging needs relate to interaction with others. Beyond the need for existence, these needs present one's desire to be included, desire for care, love, affection, nurturing and friendship, etc. They include acceptance among family and friends, approval from a group, the feeling of making contributions to a team. (Macrae and Furnham 2017, 16.)

Esteem needs show the longing for respect and for input to be acknowledged. (Macrae and Furnham 2017, 16). Maslow (1954) believed that at a point of life, one needs the feeling of belongingness. Employees want to be included as a part of the organization and that their voices are heard. This type of need comes from internal esteem drivers such as confidence, self-respect, autonomy and accomplishment. It can also come from external factors such as social status, attention, recognition, appreciation and prestige.

Self-actualization needs being the most complex, highest level of the hierarchy represents the desire of self-fulfillment, self-attainment, reaching full potential as an employee. Self-actualization needs can be achieved when employees have the opportunity to be involved in activities where they can use their creativity or perform innovations. Because of its open nature, self-actualization, as Maslow noted, can never be fully obtained. According to him, there is only a minor percentage of employee population reaches this level of need. (Martin 2010, 406.)

Maslow's hierarchy of needs has been widely recognized among managers thanks to its intuitive logic and perspicuity. It has become one of the most popular theories about work motivation and been validated by some research. The number of these researches, however, is very few. In fact, there has been research evidence suggesting that employees emphasize satisfying the lower-level needs, monetary needs in particular, even when they are thriving for higher-level ones. Therefore, the idea that lower-level needs, after satisfied, decrease in importance leading to increase in importance of higher-level needs lacks sufficient evidence. (French et al. 2011, 162.)

The theory's applicability in diverse cultures has also been questioned. Studies have found that an individual's needs and order of needs vary depending on his geographic location, career stage, organization size and so forth. In collectivist-oriented cultures such as Indian and Chinese cultures, social needs are ranked above self-actualization needs. In Greece and Japan, security and safety are more appreciated than self-actualization. People in the third world countries struggle with satisfying survival and physiological needs for their entire lives and have little opportunity to progress to higher level needs. (French et al. 2011, 162-163.)

Despite met with some criticism, Maslow's theory still contributes largely in guidelines for motivating employees. The structure of the five needs widely resembles the intrinsic-extrinsic motivator model that is used in many working environments. The base portion of the pyramid represents the extrinsic factors whereas the top portion plays as intrinsic ones. Safety in work

place includes protection from elements harmful to mental health such as harassment, bullying and physical well-being. These are the fundamental extrinsic motivating factors that directly influence the performance and productivity of employees. Without satisfying these needs, it is difficult to improve employee potential in the workplace.

### 3.2.2 Herzberg's Two-Factor Theory of Work Motivation

The two-factor theory by Frederick Herzberg is one of the most prominent theories that establish the relationship between employee motivation and performance. The result of this theory is still relevant and used widely by organizations in different fields. Herzberg's theory is based on the work of Maslow's hierarchy of needs, but it realizes the important notion that it is not possible to maintain employee satisfaction simply by fulfilling their low-level needs. Herzberg believes that ensuring basic benefits such as salaries, safe working environment, etc. is fundamental, but does not necessarily keep employee happy and satisfied. (Medmood et al. 2012.)

Herzberg conducted an experiment using a technique called critical incident to examine employee motivation. He interviewed 200 accountants and engineers from various industries in the Pittsburgh area of the United States. The candidates were asked to give comments about times both when they felt exceptionally good and when they felt exceptionally bad about their jobs. Analyzing the responses gathered from these interviews, Herzberg found that factors influencing employee motivation are classified into two categories. Those factors that can generate dissatisfaction are called hygiene factors (dissatisfiers) and those that create satisfaction are named motivating factors (satisfiers). This finding has become the foundation for the two-factor theory, also known as the motivator-hygiene theory. (French et al. 2011, 167-168.)

Herzberg states that employee's satisfying experiences come from elements intrinsic to the job content itself. They can gratify such specific needs that lead to satisfaction and generate happiness. Therefore, the presence of motivating factors encourages employees to improve their work performance. The absence of these factors, however, does not create dissatisfaction. On the other hand, hygiene factors are those extrinsic from job characteristics. Their presence has little to no effect on work performance but is needed to keep employees happy and satisfied. (Rusu and Avasilcai 2013.)

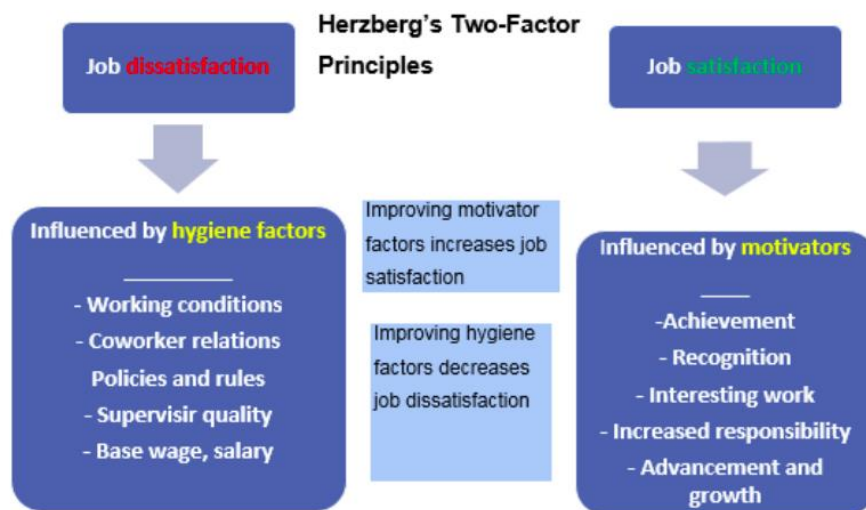


Figure 3: Herzberg's Two-Factor Principles. (Renfors 2017.)

Figure 3 presents a descriptive summary of Two-Factor theory. According to this figure, the hygiene factors, such as salary, job security, work condition, quality of supervision, fringe benefits, etc. originate from extrinsic factors. These factors do not necessarily generate positive job satisfaction or motivation but create dissatisfaction if being absent. They are considered maintenance factors thus the term "hygiene" is used. Hygiene factors are non-job related but rather relate to work environment. Aspects such as wages, company policies or supervisory are covered by hygiene factors. (Renfors 2017.)

The motivating factors shown in figure 3 presents the intrinsic rewards that relate to work content. These rewards include sense of achievement, recognition of work, being given responsibility, involvement in decision making and so on. Motivating factors associate with satisfaction, they motivate employees to excel in their performance. The satisfaction generated by motivating factors arises from the intrinsic conditions of the job content itself such as achievement, recognition or personal growth. (Refors 2017.)

Since the absence of hygiene factors can cause dissatisfaction, Herzberg argued that they must be initially fulfilled before motivators can be used to stimulate motivation. There are several different ways to strengthen hygiene factors, some of the most important ways are paying reasonable wages, offering appropriate levels of job security and creating a positive working culture. The level of satisfaction or dissatisfaction of employees depends on the ability of management in meeting their physiological and psychological needs. Motivating factors will not have an effect on performance until hygiene factors have been achieved. (Macrae and Furnham 2017, 11-12.)

On another perspective, Herzberg claimed that managers can use punishment, threat or similar stimuli to improve employee performance. He concluded though, that these measures

only have a short time effect and, in the long term, negatively affect employee satisfaction. Herzberg emphasized that the motivator-hygiene theory should be referenced in designing reward system to make sure that this system differentiates satisfiers and dissatisfiers and that management know how to adapt them both to maximize job satisfaction. (Mehmood et al. 2012.)

Since the motivator-hygiene theory distinguishes between intrinsic and extrinsic motivators, it is relevant to the model that this thesis follows. The strategies proposed in the outcome were made with the purpose of improving satisfaction and discouraging dissatisfaction. Intrinsic and extrinsic needs among employees of KOKORO Oy will be identified in order to evaluate the level of job satisfaction and eventually create different strategies that helps boost the motivation and enhance job performance in the workplace.

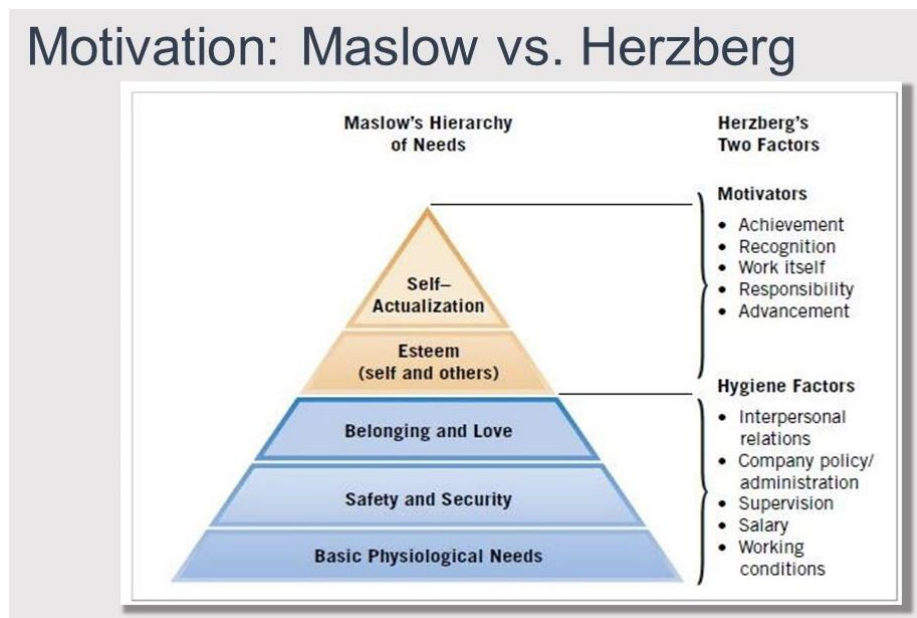


Figure 4: Maslow's and Herzberg's motivation ideas compared. (What is Human Resource 2017.)

Herzberg's two-factor theory and Maslow's hierarchy of needs can be combined as indicated in figure 4. The three low-level needs from the pyramid present the hygiene factors from Herzberg's theory, and the two top-level of needs are considered the motivating factors. Both theories highlight the intrinsic-extrinsic feature of motivators and emphasize the needs of fulfilling extrinsic motivators before improving intrinsic ones. Therefore, they can be used in developing the employee motivational strategies later presented in this thesis.



### 3.3 Types of motivation

Many studies agreed that motivation comprises two aspects: extrinsic motivation and intrinsic motivation. In their book *Motivation and Performance* (2017), Macrae and Furnham stated that “intrinsic and extrinsic motivation are not opposite ends of a scale, they are two different scales”, meaning they influence job satisfaction and job performance differently. Most employees are motivated partly from intrinsic factors and partly from extrinsic factors. Some people consider a job choice is a trade-off between a meaningful job that they love and a position with desirable benefits such as salary, bonuses, holidays, etc. (Macrae and Furnham 2017, 118.) Understanding the effect of each type of motivation and the mechanism between them will help managers get the best out of their employees.

#### 3.3.1 Extrinsic motivational theory and factors

According to London (2009), an individual is extrinsically motivated when he does something because doing that will lead to a separable outcome. This means the rewards or encouragement one receives is gained from executing a task rather than the actual enjoyment he feels when performing it. Extrinsic motivators are external to the work itself and are controlled by other people, meaning the size of the reward and whether it is granted or not is not decided by the employee himself but by his supervisor or manager.

Extrinsic rewards are intangible and are usually financial benefits provided by managers to employees. These rewards can include wages, bonuses, promotions, work environment, job security... Extrinsic motivators take the focus off performing the task well but on doing necessary tasks to earn a prize. Chaudhary (2012) stated that the attitude and performance of an employee towards a task are determined by the value of benefits attached to it. For this reason, extrinsic rewards are desirable and thus become a useful instrument in encouraging improvement. These rewards usually take the form of monetary but other factors such as type of work, organization characteristics, job security or advancement opportunities can also be considered extrinsic motivators. Although some of them contribute to increasing intrinsic motivation, the motivators themselves are originally extrinsic. (Cooper and Jayatilaka 2006.)

#### **Monetary compensation/wages**

Researches have proven that monetary compensation is one of the most effective factors for extrinsic motivation enhancement. In fact, the company's salary structure and reward system play significant roles in an individual's decision whether to accept or reject a job offer. In his Scientific Management theory, Frederick Taylor considered money the most influential element in motivating industrial workers and claimed that it directly affects productivity.

Physical reward is the ultimate tool to fulfilled physical needs - the most fundamental needs according to Maslow theory (1943).

Nohria et al. (2008) explained the impact of money on motivation by stating that people are all provoked to acquire physical goods that reinforce their sense of well-being. The drive to acquire, as this phenomenon is called, is relative and insatiable, meaning people tend to compare their gaining with that of others' and they always want to acquire more. This lightens on why employees care not only about their own compensation packages but also about their colleagues'. (Nohria et al. 2008.)

To effectively use money and rewards to stimulate extrinsic motivation, company must pay attention on three different aspects. Firstly, highly productive and good performers should be given higher salaries, more incentives and rewards. Secondly, rewards should be offered immediately after a certain behavior so as to increase the frequency of that behavior. Finally, money and physical rewards lose their effect on motivation in the long term, when people have earned enough to afford what they need, thus other motivational strategies must also be incorporated. (Macrae and Furnham 2017.)

### **Job security**

Due to economic reason, job security has become an indispensable element in the employee and organization preference list. In a survey conducted by Tower Watson in 2010, there is globally 75% of participated employees claimed that they prioritized keeping their jobs over the other factors in the preference list, factors such as high salaries, healthcare and so on. These candidates stated that they would like to keep their jobs as long as possible. Job security is, therefore, one of the most desirable elements employees look for and the determinant factor influencing one's decision on joining an organization. (Lucky et al. 2013.)

Geoffrey James (2012) indicated that there is a connection between job security as a motivating factor and employee performance. He noted that low job security causes employees to lose faith in their future at the company, leading to reduced motivation and consequently impacts performance. On the contrary, James confirmed that the higher secured an employee feels about his job, the more motivated he feels and more effectively he performs his tasks, which affect the performance of the organization in a whole. Another study of Feldmann and Arnold on hotel staff (1985) also found that high job security alters negative work behaviors and reduces the thought of leaving the job.

### **Leadership/supervision**

According to Coquitt et al. (2017), organizational leadership is complicated. It is a combination of factors that associate with ideas, behaviors, positions and so forth. Leaders in

an organization have the ability to influence the way of thinking of other employees without forcing them. They can make a huge transformation to the success of a company. Effective leadership reflects leaders' successful use of power and influence to achieve their objectives. (Coquitt et al. 2017. 412.)

Good leadership relation results in supervision satisfaction, reflecting the feeling of employees about their boss. An effective leader/good supervisor knows how to help employees obtain what they value through rewards and necessary resources or help them avoid distraction... and has good personalities (polite, competent and a good communicator). (Coquitt et al. 2017, 413.) Effective leadership is vital in fostering employee motivation. It was identified as the one of the key criteria and determinants of employee engagement by Anitha J. (2014) in her study about engagement and its impact to employee performance. Research study of Wallace and Trinko (2009) indicated that inspiring leaders cause engagement to occur naturally, which stimulates work motivation amongst employees.

### **Organizational policies**

Robbins and Judge (2008) proposed a theory called Person-Organization fit which indicate that people are interested in and chosen by organizations that match their values and leave ones that are incompatible with their personalities. Organizational culture or value are presented through their various policies. Company policies show the company's core values, its personalities, the ways it handles problems, how it treats employees and so forth. When the Person-Organization fit occurs, meaning employees find the policies of their own company reasonable and satisfactory, higher employee satisfaction and decreased turnover will be achieved. (Robbins and Judge 2008, 90.)

Organizational policies, systems, structures, procedures determine the extent to which employees are motivated. Policies and procedures include aspects such as fair recruitment, flexible timing, work-life balance and fair promotional policies. Recruitment policy directly impact future employee's commitment. (Schneider et al. 2009.) Flexible working time and work-life balance policy notably influence employee engagement. The importance of organizational policies has been emphasized by several studies. (Woodruffe 2005; Rama Devi 2009.) Organizations that have employees finding their values satisfied by the company policies are more likely to achieve high work motivation and good performance. (Anitha 2014.)

### **3.3.2 Intrinsic motivational theory and factors**

Intrinsic motivation, defined by Ryan and Deci (2000), is doing an activity because of its inherent satisfactions. In other words, employee chooses to perform a task because he enjoys the pleasure inherent in it, rather than the separable outcomes following by an external

reward or recognition. (Story et al. 2008, 707.) Study done by Lee et al. (2012) showed that intrinsic motivation results from a complex neurophysiological activity in which the person goes through a psychological process stemming from inherent feelings. It is evident, in past research, that individuals that are intrinsically motivated are much more likely to perform well than those that are extrinsically motivated, and those who experience higher level of inherent intrinsic motivation are less vulnerable to external motivation resulting from financial intervention. (London 2009.) It can be concluded that intrinsic motivators are psychologically inherent feelings employees obtain when doing meaningful work and performing it well.

The concept of intrinsic motivation is correlating to intrinsic value. Intrinsic motivation is caused by personal enjoyment, interest and commitment to work. (Ryan and Deci 2000, 149-177.) Intrinsically motivated employees enjoy recognition for good work, opportunity for development, freedom to express creativity, to make decision and to perform tasks. These intrinsic motivators can be fulfilled by the work itself rather than external rewards such as money, food or facilities. This is because the work itself can generate interest, challenges, stimulation and provide opportunities for personal advancement and achievement. Intrinsically motivated behavior is determined by the need to feel competent and self-determining. (Chaudhary 2012.)

### **Empowerment and Autonomy**

Autonomy refers to the degree to which one feels the freedom, independence and can use own discretion to decide how to approach, schedule and complete the work. (Hackman and Oldham 1975.) Likewise, empowerment is defined by Sibson (1994) as manager's provision of authority to each employee, particularly job practices and methods. Autonomy and empowerment come in multiple forms, they can include some or all of these four main aspects: Timing (when to do the work), technique (how to do the work), team (whom to do the work with) and task (what to do). (Macrae and Furnham 2017, 108.)

Ryan and Deci (2000) developed the Cognitive Evaluation Theory specifying that without a sense of autonomy, intrinsic motivation will not be enhanced for an individual. Empowerment and autonomy allow people to act and take responsibility, for they are granted the control to their own destiny. Empowerment and autonomy foster trust within the organization, generate work fulfillment and enhance motivation. They also boost effectiveness, efficiency and innovation. Improving autonomy and empowerment at the workplace can transform work experience and lead to better performance. (Clutterbuck and Kernaghan 1994, 12-13.)

### **Recognition**

Recognition is described as “a psychological feeling of being valued and praised for contributions”. (Singh 2016). People are appreciated when their skills, abilities and contributions are recognized. Rewards and recognition programs are essential in enhancing job satisfaction and employee motivation. Kamalian et al. (2010) claimed that one works harder than normal when told by his manager that she is appreciated and recognizes him. As an intrinsic motivator, recognition represents the psychological reward granted when one does the job well. Recognition can be interpreted in verbal or written form. It shows the appreciation for employee overall performance, improvement, contribution, achievement and so forth. (Kamalian et al. 2010, 165-171.)

Persistent practice of recognition and rewards as a motivational factor helps organizations establish a work culture that promotes and celebrates employee achievements and successes. Macrae and Furnham (2017) suggest that recognition should be public, where possible and immediate after an achievement is made. Being praised publicly not only boosts employees' confidence but also shows them the appreciation of the whole team. Opportune recognition shows the attentiveness of managers and encourages good behavior to occur more frequently. (Macrae and Furnham 2017, 114.)

### **Opportunities for career development**

The quality of training programs and development opportunities available at the workplace considerably affect the degree of motivation and engagement of staff members. Many employees have the desire to make meaningful contributions and to move forward in their career. Such employees are motivated by challenging works that enable them to learn and grow. On the contrary, they are easily depressed by uninteresting, tedious works. When talented employees feel trapped in a monotonous routine, they most likely leave the company for new challenges elsewhere. (Nohria et al. 2008.)

For the stated reason, career advancement is an important element in the process of motivating employees. When a company offers its employees changes to grow, it is equal to rewarding them. (Alderfer 1972.) When an employee takes on training and development programs, his confidence in such areas builds up, motivating him to be more engaged in the job. The career path laddering through training needs to be carefully considered by management so that opportunities for growth and development can be timely provided for employees. This will automatically enhance the level of motivation. (Anitha 2014.)

### **Fairness of Treatment**

The perception of fairness at the workplace refers to how people perceive the distribution of rewards and opportunities; the process of allocation on such factors; and the ways people are treated due to their performance. Fair treatment is vital for the success of organizations

since it directly affects the relationship between employees and employers, which influences the long-term viability of all companies. Thus, it is crucial that organizations make effort to maintain the sense of commitment, spirit of trust and fairness of treatment among employees. (Wayne et al. 2002.)

Research has indicated that fair treatment has significant impact on different aspects of employee attitudes, such as satisfaction, motivation, commitment and behaviors. Kamalian, Yaghoubi and Moloudi (2010) stated that employees evaluate fairness by first measuring the share of their contribution (input) with the economic or social compensation (output) and then comparing their ratio with that of referent others. When the output is comparatively too much (over-compensation) or too little (under-compensation), it is evaluated as unfair. Consequently, employees try to reduce the unfairness by adjusting input (working less) or output (stealing from the company). (Kamalian et al. 2010, 165-171.)

#### 3.4 Impacts of employee motivation on employee and organizational performance

Performance, defined by Porter and Lawler (1974) is a combination of individual ability, skill and effort (or motivation) in a specified situation. Performance depends on individual perception, values and attitudes. A study of Yang (2008) determined that, there appear to be so many influencers to job performance that it is almost impossible to identify them. For the purpose of this thesis, the author will only consider the impact of one component on performance which is motivation.

The relationship between employee motivation and performance has been critically evaluated in various organizational settings. Many of these studies have indicated that there is a connection among job satisfaction, employee motivation and performance. Smith and Cranny (1968) claimed that satisfaction is associated with motivation, commitment as well as performance. In the Hawthorne study of the Western Electric Company, evidence from the Assembly test room presented a significant tendency for improved employee productivity when job satisfaction and motivation is increased.

Motivation has influential effects on a number of aspects of employee and organizational performance. The variety covers from absenteeism, productivity to organization citizenship behavior. Considering the distinctive features and characteristics of the case company, this thesis will focus on two aspects of performance that are considered to be most affected by the level of the company's employee motivation. Those aspects are productivity and turnover.

##### 3.4.1 Employee motivation and employee productivity

Productivity is the amount of output generated by an individual using certain input. Typically, productivity can be measured by evaluating the tasks accomplished based on the amount of

time spent on such tasks. Productivity assesses the efficiency of employing organizational resources to achieve certain outcomes. (Aiyetan and Olotuah, 2006.) Cohen et al. (1995) revealed that productivity includes both economic and group performance presenting the ability to satisfy customer needs and expectations. In short, employee productivity emphasizes two main dimensions: work efficiency and work effectiveness.

The degree to which an employee's productivity leads to propitious organizational performance is a key indicator for organizational success. Thus, greater emphasis should be given to productivity as it determines the competitive capability of an organization. (Hanaysha 2016; Soltani 2016.) Other than that, productivity is one of the crucial factors indicating profits and opportunities for organizational success in business. It is a benchmark for employee rewards and a mean for hard work recognition and compensation. (Aiyetan and Olotuah 2006.)

Different strategic methods have been used by several organizations in the attempt to enhance employee productivity. Many studies have found that effective management and employee motivation have significant impact in boosting productivity and organizational performance. (Kawara 2014; Scott 2015; Swart 2010.) The ability of management to encourage employees to reach their future goals is fundamental (Nizam and Shah 2015.) Employees need frequent motivation to improve their level of productivity and accomplish their tasks as desired. (Muogbo 2013.) Since employee performance comprises of both motivation and capability, management is responsible for ensuring favorable motivation and providing the necessary resources to support this motivation. (Katou 2017; Moorhead and Griffin 1998.)

#### 3.4.2 Employee motivation and employee turnover

Employee turnover represents the percentage of employees that, within a certain period of time, choose to leave an organization. In other words, employee turnover is the degree of employee movement inside and outside an organization. (Vnoučková and Klupáková 2013.) Employee turnover is a persistent phenomenon that creates serious problems for organizations. High turnover rate demands substantial costs of recruitment, hiring and training of newcomers (Abbasi and Hollman 2008.) In addition, the loss of qualified and skilled employee results in the decrease in innovation, competitiveness and quality of service. (Miller 2010) Companies with high rate of employee turnover face risks of failed performance in the long run. (Tracey and Hinkin 2008, 12-27.)

Enhancing employee motivation and job satisfaction is considered to be an important tool to minimize turnover rate and eliminate its negative effects. Motivation is the backbone of human resource management and employee turnover is one of its principal issues. A sufficient human resource management strategy with reasonable pay, practical training and developing

program, well-adjusted organizational policies and managers that are fair in rewarding and evaluating play essential role in promoting job satisfaction, motivating employees, preventing staffs from leaving the organization. (Vnoučková & Klupáková 2013.)

#### 4 Research methodology

Research methods are the techniques a study employs as a mean to collect data based on the research objectives. Conventionally, data or sources categorized into three types; primary, secondary and tertiary. (Booth et al. 2008, 69.) Primary data is raw data a study collects directly from the source. It is usually used as a base for testing hypothesis of a study for the first time and as evident to support an argument or a claim. The example of primary data is information collected from a person or a group of samples. Secondary data representatives are written literatures or reports that use primary data to solve research questions. When a study collects primary data and makes it into a written report, the report can be used by other studies as secondary data. Tertiary data are usually books or articles that summarize various secondary data for general audiences. These include textbooks, articles in a book or a magazine, internet publications and others. (Booth et al. 2008, 70-72.)

Collecting data is the process wherein a study goes through to gather information to support and answer the proposed research question. This process includes identifying and selecting samples based on the criteria aligning with the research; gaining respondents' agreement to participate as samples for the study; and employing the chosen research methods. There are two types of research methods that are commonly used among studies: quantitative method and qualitative method. There is also a mixed-method using both quantitative and qualitative techniques. (Creswell 2002, 2.)

Quantitative is a data collection method generates or utilizes numerical data (numbers). The most common examples of quantitative method are questionnaire or survey where respondents answer a set of questions that are prepared to answer research questions based on the research objectives. The choice of answers in the quantitative methods usually already stated (closed ended) so respondents can choose one (single answer) or more (multiple answers). Collected quantitative answers are usually visualized in forms of graphs or tables. Researchers use statistical software to generate or compile the data. (Saunders et al. 2009, 151.)

In contrast to quantitative methods, qualitative techniques focus on non-numeric (words) data rather than numeric (numbers) data. Most common data-collecting tool of qualitative technique is interview where samples answer a set of questions with their own words rather than choose amongst choices (open ended). Hence, qualitative method can provide answers



that is directly relevant to the samples with their own wording and understanding. (Saunders et al. 2009, 151.)

## 5 Research method developments and results

This chapter will provide detail description of the research and its implementation. The focus will be on information including selected techniques, data collection process, data analysis and discussion. In order to explain the research development, employed methods and framework of the study, the author referred to previous studies with related topic and other academic sources before and during the development of the research.

The selection of the research methods was based on the features of each technique, the characteristics of samples, and most importantly, the objectives of the study. The author decided on two methods: a semi-structured interview targeting the Human Resource (later used as HR) manager who is also the co-founder of KOKORO Oy, and a web-based survey targeting the company's employees. The data collected from two researches helped identify the motivational influencers within the workforce of the company and supported in the development of a set of strategies that can be used as an HR tool serving in job motivation enhancement and performance improvement at KOKORO Oy.

### 5.1 Restatement of research objectives and questions

The methodologies adopted for the thesis were decided based mainly on the objectives of the research. Thus, restating these objectives help the author better explain the reasons for method selection. The main objective of this thesis is to identify the motivating factors within the case company (KOKORO Oy/KOKORO Restaurant) workforce and how the level of motivation affects the staff members and the company performance. The second objective is to plan a set of strategies and action plans based on the research findings to foster work motivation and increase job performance at the company. The outcome of this study would help evaluate the current level of job satisfaction and the impactful influence of motivation on work performance. Study of theories and research data will support the analysis of the results.

From the objectives, the research questions proposed are:

- How motivated are the employees at KOKORO Oy?
- What are the intrinsic and extrinsic factors that influence employee motivation at KOKORO Oy?
- How does employee motivation affect different performance aspects at KOKORO Oy?
- What can be done to improve employee motivation and satisfaction at KOKORO Oy?

## 5.2 Semi-structured interview

Interview is one of the methods commonly used in qualitative research. Interview is defined as an interactional exchange dialog, or a conversation between two or more participants, under face-to-face or other contexts. Qualitative interview is used as a thematic, topic-centered approach to cover topics or concerns with a fluid and flexible structure. (Edwards and Holland 2013, 3.) It is advised that interviews are conducted in a relaxing environment and that interviewer should not display any kind of disagreement due to difference in opinions. (Wilson 2014, 20.)

Interviews are conducted with the purpose of collecting a richer source of information from a small number of individuals. Information collected from interviews may include all or some of these matters: opinions, preferences, attitudes, knowledge, attributes and feelings. The open-ended feature of interview questions allows in-depth information to be collected, helping the interviewer explore, better understand and explain research subjects' experience, opinions, behavior... Using interview method, researcher has the ability to control the flow of the conversation and clarify unclear issues. (Research Methods Guide: Interview Research 2018.) On the other hand, this method requires longer time to conduct and difficulty in time arrangement may be experienced. (Wilson 2014, 20.)

There are typically three types of interviews used in qualitative study: structured interview, semi-structured interview and unstructured interview. (McLeod 2014.) Considering the feature of each type, the author decided to use a semi-structured interview for this research. This type of interview was considered the most effective in use to obtain information from the HR manager of KOKORO Oy about her, as well as the management's attitude, opinions and preference towards the company's employee motivation and performance level.

Semi-structured interview is described as a combination between the focused, predefined characteristic of structured interview and the open-ended, flexibility of unstructured interview. In a typical semi-structured interview, the interviewer follows a checklist called an interview guide. However, during the interview, the interviewer has the ability to decide when and how the questions are asked and how the interviewee can respond. She can open a new line of discussion to further the subject, give probe answers or ask to clarify an issue. In short, semi-structured interviewer is concerned about the content and context of the interview, how the topic is perceived by the interviewees and how they want to convey their answers. (Edwards and Holland 2013, 29.)

The characteristics of semi-structured interview provide a number of benefits for both interviewer and interviewee. A few benefits that have been realized in this research by the author include: It helps the interviewer easily address complex topic by probes and clarification; allows to redirect when the conversation deviate from the main subject.

Compared to unstructured interview, this technique requires less training time as the interviewer can prepare a checklist with specific question before the interview. On the other hand, it offers some flexibility for both interviewer and interviewee, allowing follow-up questions to be asked and additional concerns to be raised. (Wilson 2014, 26.)

On the other hand, semi-structured interview can be time-consuming, labor intensive and requires refinement. The flexibility of the interview can open up unexpected issues that may make the conversations digress from the topic. The absence of standardization may result in the question for reliability of the topic due to bias issue. The difference in culture may cause difficulty for the interviewer in perceiving the respond and analyzing the data. (Wilson 2014, 26-27.)

The disadvantages of semi-structured interview are undeniable but avoidable. The author still considers it the most suitable tool to obtain the information needed from the management of the case company. The next sub chapter will provide detailed information on how the interview was designed and developed according to the objectives of the research and how it was conducted.

### 5.2.1 Interview developing and conducting

The development of the semi-structured interview started in March 2020, at the very beginning of the research. In order to design the interview guide (or the question checklist), the author first studied several previous researches with topics related to employee motivation and performance to have a general approach to the subject. After having the general view, the author gathered information about KOKORO Oy and studied the relevant theories, most suitable theories were then selected based on the characteristics of the company. Having worked for KOKORO restaurant for almost three years has given the author exposure to the working environment and culture and understanding of the team members and the mechanism of teamwork at the restaurant. This helped the researcher save much time in data collection and research development. Studying the obtained information and knowledge, the author decided on the main objectives of the research, and based on which, selected most suitable aspects that would be covered by the interview and built the questions upon them. The figure 5 below displays the interview designing process in short.

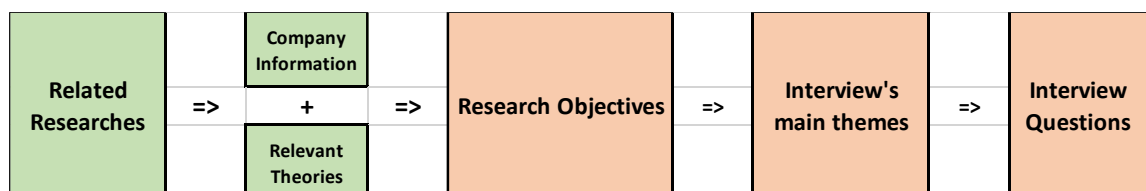


Figure 5: Interview development process.

The interview guide was designed to answer five matters: KOKORO Oy management’s position and attitude towards employee motivation; KOKORO Oy’s employee motivational level in the management perspective; the influencers of employee motivational level of the company; Previous and current employee motivation enhancement practices at KOKORO Oy and the management’s challenges and expectations on employee performance. Detail of the interview guide is presented in figure 6 and the complete question list can be found in appendix 1.

Interview Guide: Themes and Questions				
Management's Attitude on Employee Motivation	Employee Motivational level	Employee Motivational Influencers	Employee Motivation Enhancement Practices	Management's Challenges and Expectations on Employee Performance
What do you know about work motivation or employee motivation?	What do you think about the motivational level of your current employees?	What are the extrinsic factors that most affect your employee motivation? (with explanation about extrinsic motivators)	Does the company have any strategies to enhance employee motivation? Can you explain these strategies?	What challenges does the company face in HR management?
Are you familiar with motivation theories and practises?	Does the company have any plans or strategies to modify employee motivation?	What are the intrinsic factors that most affect your employee motivation? (with explanation about intrinsic motivators)	How have you developed these strategies?	What are the performance aspects you wish to improve through work motivation enhancement?
Does KOKORO management team consider improving work motivation an important factor for effective HR management and the company success?	How do you know when one or more staff members are unmotivated?	Which kind of motivational factors do you consider influences KOKORO's employees more?	Do you think these strategies worked? How do you measure their effectiveness?	

Figure 6: Interview themes and questions.

The list of interview questions was sent to the HR manager and co-founder of KOKORO Oy and KOKORO Sushi Restaurant. Permission for conducting the research and the interview had been asked since early February 2020. The author asked for the manager opinion on the question list to prevent any misunderstanding, ensure the relevance of the questions and avoid sensitive issues or confidential information. After some minor adjustments, the interview appointment was decided with consideration about the availability and accessibility of both parties. An online interview was agreed upon due to constraints in time and distance of the interviewer and interviewee.

The semi-structured interview was conducted online via Skype application in May 2020 and was recorded using Skype’s recording function with permission from the manager. Although the interview questions were in English, the interviewee chose to give answers in Vietnamese which is her native language so as to better express her opinions and explain her perspective. After the interview, the researcher translated her answers into English and made the transcription. The online interview lasted for 45 minutes, following the prepared plan with discussion of some additional matters.

### 5.2.2 Interview results

The author analyzed data collected from the interview using the thematic content analysis method. This method requires the analyst to follow a process of rereading, labelling data; searching and reviewing the themes before creating a coherent narrative for the interview. (Rucker 2016.) Following this approach, the researcher presents the interview results in terms of the predefined themes.

#### **Theme 1: Management's attitude on employee motivation**

Regarding the first theme on the company's management's attitude towards employee motivation, the HR manager showed a certain amount of knowledge about the subject. Although not academically trained in Human Resource Management, the manager has always been interested in the field and has trained herself through different academic sources and gained experience from managing the team at KOKORO restaurant. The manager ascertained that the company management pays a good amount of attention to their employees' well-being and motivation as they realize the significant impact of their performance to the company success. In terms of work motivation theories, the manager does have knowledge about some common theories such as hierarchy of needs of Maslow's, expectancy theory, goal theory... However, it is difficult to create a designated strategy for the company based on these theories.

#### **Theme 2: Employee motivational level**

When asked about the motivational level of KOKORO Oy's employee, the HR manager felt that, on average, employees are fairly motivated, then specified that the level must be at least above average. The manager believed that most team members are comparatively motivated with some exceptionally driven individuals (around 25% of the staff population). On the other hand, there might be also a few employees that are either indifferent or unmotivated. However, this group of people consists of only one or two members, and the company management does take notice of them.

Employees' motivation is typically monitored by observation of performance and attitudes. This observation activity is mainly in charged by the shift leaders as they are the ones who directly manage and work with the team. Periodically, the shift leaders are asked to present their observation results to the manager. The management also designed some online surveys, through which, all employees can freely express their feelings and experiences about different aspects at work anonymously. However, since this is only a voluntary activity, people are not very willing to participate or treat it with a cursory manner. Except from those measures, the HR manager herself occasionally invites her staffs to private dates where the

manager tries to learn more deeply about their experiences in a more relaxing way to find out whether each individual is unsatisfied, motivated or unmotivated.

### **Theme 3: Employee motivational influencers**

Talking about motivational influencers, the manager considered the company culture and policies, the supervision style, the salary structure and the provision of job security are extrinsic factors that affect her employee motivation. These are also the aspects that the company has been trying to develop and improve to attract new hiring and retain current members. Amongst these factors, the manager felt that the culture and policies of the company most significantly affect staff motivation, also stated that the company makes effort to create an educational working environment with flexible policies, which fosters teamwork and encourages employees to express their opinions and learn from each other. The company also ensures to maintain a transparent evaluating and promoting policy, makes effort to provide flexible working hours and so forth.

In terms of intrinsic motivation factors, the manager thought that the employees are generally concerned with recognition matter, the degree of autonomy, career and personal development and fairness in treatment. These motivators are also promoted in KOKORO Oy and the management is doing a good job on these aspects. Recognitions are given regularly, employees are allowed as much flexibility as possible to perform their works, deliberate training is provided, opportunities are offered to those with potential, and fair treatment and evaluation are always ensured.

The manager believed that most employees at KOKORO Oy are more interested in the intrinsic factors that the company provides. Compared to other organizations with the same business, KOKORO does not have competitive advantages in salary structure, supervision and job security provision due to their shortness in experience and resource. Thus, The manager thought that most employees at KOKORO prioritize the intrinsic job elements rather than extrinsic matters.

### **Theme 4: Employee motivation enhancement practices**

In discussion about employee motivation enhancement practices at KOKORO Oy, the HR manager mentioned again that the company has difficulty in developing a specific strategy to enhance work motivation for her company. Different methods had been implemented and improved time to time, but they still lack a detailed plan that covers all aspects around employee motivation. They are also in need of an efficient measurement to evaluate how

successful the implementation of previous methods is. For this reason, the manager was really willing to support the author on this research.

### **Theme 5: Management's challenges and expectations on employee performance**

Regarding the challenges and expectations of the company management in managing their team, the manager claimed that the company's biggest challenge is the fairly high turnover rate. Due to the feature of food service business and a team with mostly part-time workers, the company realized that the short cycle of employee turnover is unavoidable. However, the manager considered that KOKORO's turnover rate is comparatively high, which takes a lot of time, effort and money on recruiting and training. Except from that, through enhancement in motivation, the company management expected the productivity of employees to be improved. Productivity directly affects production and service thus it determines profit, reputation and overall success of KOKORO Oy.

#### **5.3 Web-based survey**

Questionnaire and survey are the two most common methods for collecting quantitative data. Questionnaire is described as a list of questions, aiming to gather mass information in one go. This technique is usually limited in scope and it is not used for analyzing statistic. A questionnaire mostly contains closed questions which require respondents to choose from a predefined list of answers. Researcher must ensure there is no bias when designing the questions to avoid any misleading narrative. (Kananen 2013, 36.)

Survey technique is similar to questionnaire in some aspect. Surveys are also used to collect quantitative data with a set of questions. However, except from the ordinary purpose of questionnaires, surveys' data is used for analysis and forecasting. The researcher looks for trends, behavior, insight and broader picture when conducting surveys. A survey questionnaire can include both closed-ended and opened-ended questions. In short, a survey, presented in form of a questionnaire, is a data collection method which uses a set of questions for statistical analysis purpose. (Kananen 2013, 38.)

There are several ways to conduct a survey. Survey can be done face-to-face, through phone or online... While working on this research, the author was unable to be present in close distance with the targeted respondents, who are the employees of KOKORO Oy thus she decided to employ an online survey, particularly a web-based survey for the thesis.

Surveys conducted online are also called electric surveys. Electronic survey is an alternative mean of conventional, paper-based survey. In conducting an electronic survey, a computer plays the major role in delivering the survey to potential respondents and collecting data from actual respondents. Electronic survey can be categorized into three different types: point of contact, email-based and web-based survey. After studying the features and type of technology used for each of these types, the author selected web-based survey to implement in the research. (Jansen et al. 2007.)

Web-based survey is defined as an instrument that resides on a network server and can be accessed through a web browser. Web-based survey is created by the use of a coding language and is usually connected directly to a database where all the data is stored and categorized for analysis. Web-based survey respondents are either samples of self-selected individuals. Samples are respondents chosen by the researcher, notified about the chance of survey participation and directed to the website carrying the survey. Samples are usually representatives of a target group. Self-selected respondents are not solicited by the researcher but come across the survey in their course of browsing and chose to do the survey. (Jansen et al. 2007.)

Web-based survey has several advantages. It is not only cost-saving like all other types of electric surveys, but also time-saving. The existence of many free survey maker tools available on the internet makes web-based survey mostly free and easy to create, edit and alleviates the work of data visualization. Web-based survey takes the shortest transmission time and is accessible everywhere by any electronic device connected to the internet, allowing it to reach a broader population of respondents. Moreover, research has shown that respondents are likely to give more honest answers in web-based surveys than in paper-based surveys or interviews. (Colorado State University 2019.)

Because of the above-mentioned benefits, a web-based survey was employed for the research. This survey targeted the current employees working at KOKORO sushi restaurant. The process of how the survey was designed, developed and conducted will be presented in the next sub chapter.

### 5.3.1 Survey developing and conducting

Unlike the interview, the development of the survey started in early April 2020. Initially, the author thought of implementing another qualitative interview with the participant of three selected employees from KOKORO Oy. However, after identifying the main objectives of the research, the author considered it was better to use a quantitative technique to retrieve data from the majority of the company's staff members in order to obtain their collective opinions



and preference.



Figure 7: Survey development process.

The survey development process was almost similar to that of the interview and can be viewed in figure 7. The purpose of the survey is to learn about employee motivation at KOKORO Oy in the perspective of the employees. The questionnaire used for the survey covers four aspects including: General information of the respondents; the employees' motivational level and degree of satisfaction towards the extrinsic and intrinsic motivational factors provided by the company; the employees' attitudes towards such factors in a general workplace environment and their opinions about the impact of motivation on employee performance. Both closed-ended and opened-ended questions were used in the questionnaire. All closed-ended questions required answers while opened-ended questions were optional.

After determining the four general themes, the researcher started to create the questions for the survey. During this process, the author referred to previous researches with related topic to improve the quality of the survey content and ensure the questions were able to convey the researcher's idea and intention while still simple enough for every respondent to understand. The web-based survey was created using the SurveyPlanet software. SurveyPlanet is an on-demand, online software providing useful tools for creating surveys and collecting results on the cloud. The service was provided for free and very easy to use.

As being advised by the thesis supervisor, the researcher sent the first version of the survey questionnaire to the HR manager of KOKORO restaurant, to ask for the management opinions on the content of the questions. The author also asked a friend to view the set of questions to make sure there was no complexity or misunderstanding in the survey. The HR manager then offered some suggestions on the answer options of some multiple-choice questions, which had been applied to the latest version of the survey. The complete survey questionnaire can be viewed in appendix 2.

The survey was conducted in early of May 2020. The researcher messaged the link to the survey website to the group of all KOKORO employees. Everyone (15 people) who was currently working at the company was invited to do the survey. Participants were not required to leave their identities or any types of personal contacts, meaning the survey could be done anonymously. After two weeks, the author was able to gather 12 (80%) responds out of 15 (100%) potential respondents.

### 5.3.2 Survey results

This sub chapter presents the results collected from the web-based survey conducted with the participation of 12 employees at KOKORO restaurant. Different types of charts, graphs and figures are used to display the statistical data. Explanations for each question-answer pair are also given.

When analyzing survey data, the researcher also made comparison with the data collected from the interview with the HR manager to examine the similarity and difference in opinions between the company's management and employees on employee motivation. The comparison supports the author in creating the strategies for improving employee motivational level of the company.

#### General information of the respondents

The first four questions (Q1, Q2, Q3, Q4) of the survey aimed to collect general information about the respondents' age, the number of working years, positions at work and the nature of their contracts. These are typical questions that help establish the grounds for the thesis and provide a general view on the characteristics of KOKORO Oy's workforce.

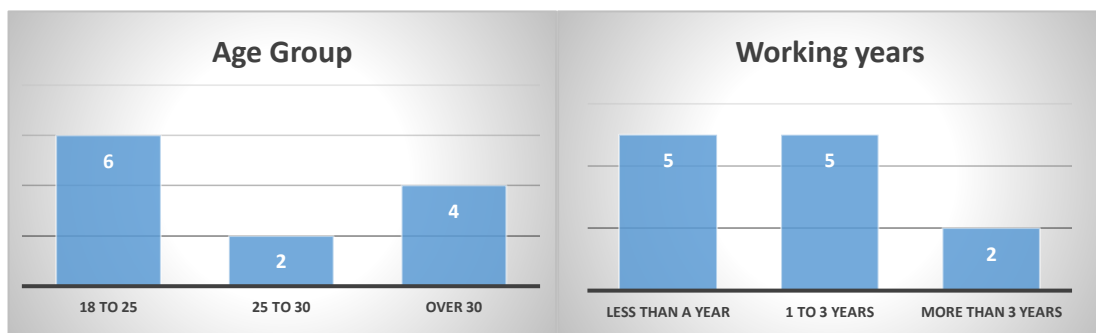


Figure 8: Q1 and Q2: Respondents' age groups and number of working years (n=12).

Figure 8 presents the data collected from questions 1 and 2 of the survey. It can be seen that KOKORO Oy has a fairly young group of employees. Most respondents (67%) are under 30 years old, 50% of those are less than 26 years old. Similarly, the working period of employees is also not that long. 5 out of 12 respondents (over 40%) have just worked for the company for less than a year. This could be due to the current pandemic situation which causes most restaurants to temporarily close, leading to a surge in demand at KOKORO restaurant. To cope with the situation, the company must hire many new workers.

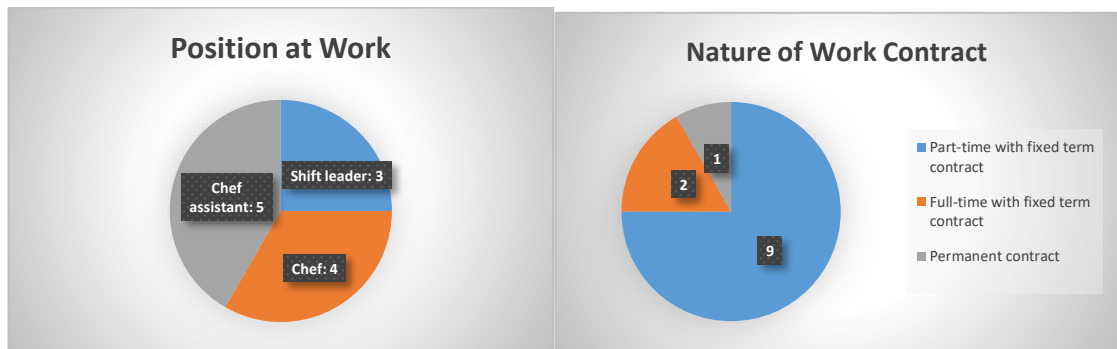


Figure 9: Q3 and Q4: Respondents' positions at work and nature of work contract (n=12).

As shown in figure 9, out of 12 respondents, there are 3 shift leaders, 4 chefs and 5 chef assistants. Amongst them, only 1 person has a permanent contract with the company, 2 of them work full time with fixed term contracts and 9 people have part-time contracts. These results were expected by the researcher. Through the interview, the author was told by the company's manager that most employees at KOKORO Oy work part-time with fixed term contract. And the high number of chef assistants confirms the prediction of the author about the rise in new recruitments during the pandemic.

#### Employees' Motivational Level

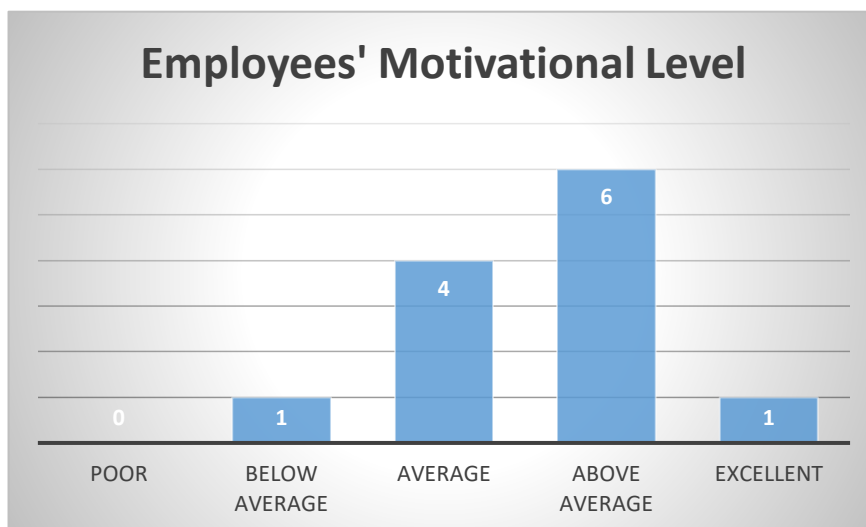


Figure 10: Q5: Respondents current motivational level at work (n=12).

To measure the current motivational level of the KOKORO's employees, the respondents were asked to generally evaluate how motivated they were feeling at work. Based on the responds from 12 employees, shown in figure 10, 80% of the company workforce, the current motivational level is relatively good. 50% (n=6) of the respondents claimed they felt more motivated than the average level. More than 33% (n=4) had average level of motivation. Only

8% (n=1) stated his/her motivational level was below average and another 8% (n=1) felt exceptionally motivated.

This result matches with the HR manager's evaluation in the interview. Employee motivational level at KOKORO Oy was indeed above average with a few exceptional cases. There was no response with "poor" motivational level, the result for this question is comparatively good.

### Extrinsic factors influencing employee motivation

This part of the survey seeks to investigate the impact of potential extrinsic factors on KOKORO Oy's employee motivation. The four extrinsic motivators proposed for the research are: the monetary/salary structure; the provision of job security; the leadership/supervision style of the management and the company's culture and policies. Questions 6 (Q6), 7 (Q7) and 8 (Q8) were designed for this purpose.

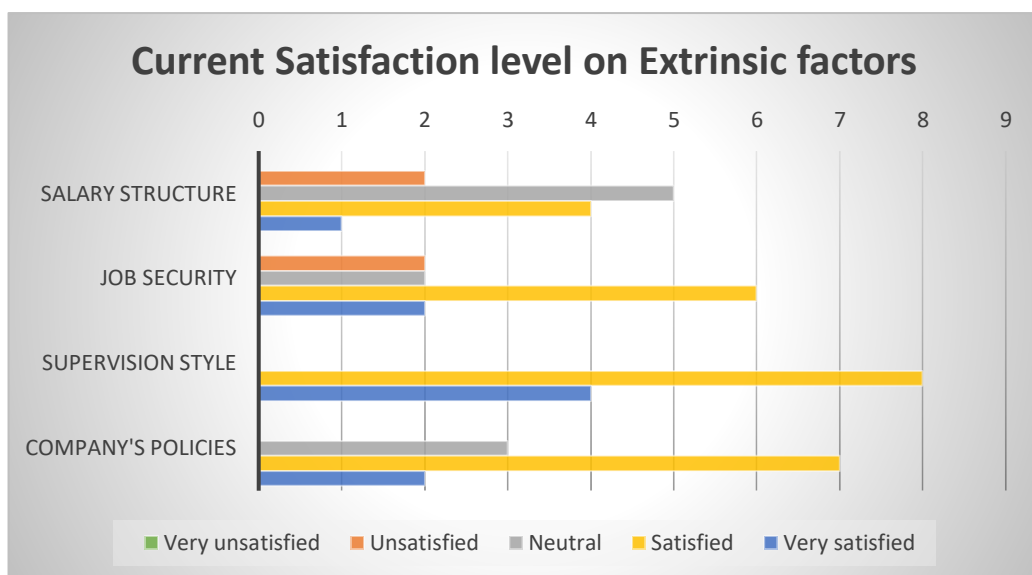


Figure 11: Q6: Respondents current satisfaction level towards extrinsic factors (n=12).

In question 6, the participants were asked to indicate how satisfied they feel towards the four extrinsic motivators available at KOKORO Oy. According to the results shown in figure 11, all respondents were either satisfied or very satisfied with the leadership or supervision style provided by the management at KOKORO Oy. The company's performance on policies also received good feedbacks with 75% (n=7) satisfied respondents.

On the other hand, the company's provision of monetary and job security factors was not very well satisfying. Each factor gained two votes in dissatisfaction. Less than 50% of employees were satisfied with the salary they were offered and more than 33% of them were not satisfied with the provision of job security.

To gain deeper insight from the samples about the reasons behind their evaluation, question 7 (optional question) asked the respondents to elaborate their answers in question 6. The author received five responds for this question, three of them stated that although the salary they received was above average, they expected higher pay due to either their experience, contribution or job requirement. One also added that “In contract, there is also no specific structure of gaining a salary up to working time (after 6 months or a year)” and that “There are some high seasons (like in summer or this time COVID-19) that the workload is high, but until now there's no specific reward or gaining salary after the season.” One respondent commented that due to the typical characteristic of the restaurant industry, the number of working hours depends heavily on sales revenue and customer demand thus the provision of job security was not very satisfying and the scheduling sometimes affected her work-life balance.

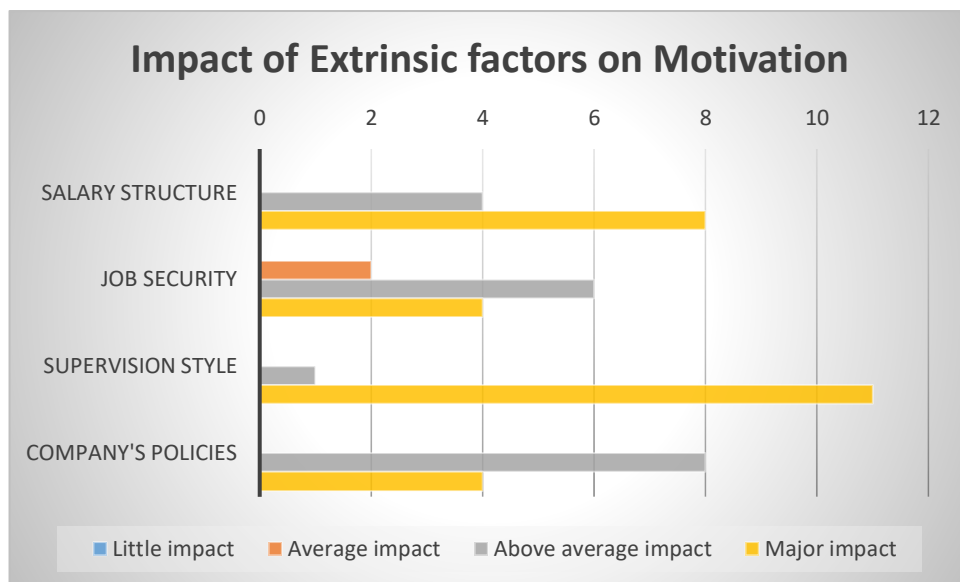


Figure 12: Q8: Impact of extrinsic factors on employee motivation (n=12).

The results of question 8 are presented in figure 12. This question asks how much impact each of the four extrinsic factors has on the motivational level of the respondents. The results show that the supervision style and salary structure are the two most impactful factors. Almost all respondents (91%) agreed that the supervision style majorly impacts their motivational level. More than 66% (n=8) of them felt the same way with the salary structure, and the rest of them (33%) considered this factor has above average impact on the degree of their motivation.

The other two factors are also considered relatively impactful. Eight respondents (66%) stated that company's policies factor had above average impact on motivation. The other four of them (33%) said it had a major impact. In terms of job security, two respondents (16%)

claimed the impact of it was on average level, six of them (50%) thought it had above average impact and the remaining four said it majorly affected their motivational level.

The results for question 8 show that employees at KOKORO Oy value all four extrinsic motivators proposed by the researcher. All four of them have important impact on employee motivation. Amongst these factors, supervision style and salary structure are considered most impactful. In comparison with question 6, the company has done well on the provision of supervision, which is also the most significantly impactful factor, however, there needs to be improvement on monetary compensation aspect as people did not seem to be very satisfied with their salary, which can negatively affect their motivational level.

### Intrinsic factors influencing employee motivation

The next of the survey seeks to investigate the impact of potential intrinsic factors on KOKORO Oy's employee motivation. The four intrinsic motivators proposed for the research are: the recognition for employee contributions; the level of empowerment and autonomy; opportunities for development and the fairness of treatment. Questions 9 (Q9), 10 (Q10) and 11 (Q11) were designed for this purpose.

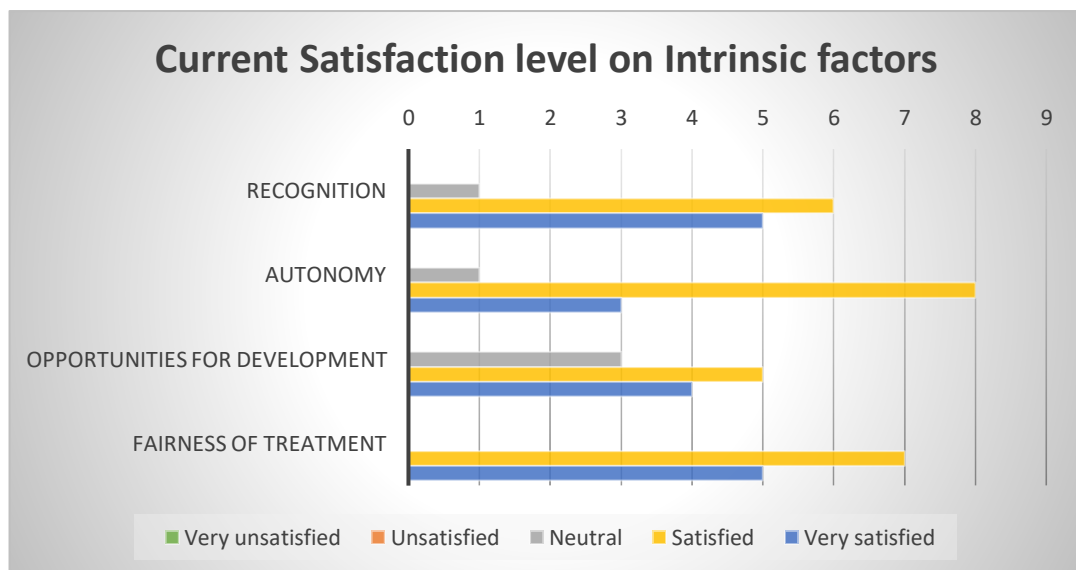


Figure 13: Q9: Respondents current satisfaction level towards intrinsic factors (n=12).

The results of question 9 (shown in figure 13) indicate the satisfaction level of KOKORO's employees towards the provision of intrinsic factors at the company. In this category, employees seemed to be relatively satisfied with all four factors proposed in the survey. There were no "very unsatisfied" or "unsatisfied" answers for any factors. All respondents responded positively on the fairness of treatment factor, more than 58% (n=7) felt satisfied and 41% (n=5) felt very satisfied with the way they were treated. The provision of recognition at KOKORO Oy was also highly appreciated, most participants (except for one) were either satisfied (50%) or very satisfied (41%) with this factor.

Respondents also gave good feedbacks on autonomy and opportunities for development factors. The level of satisfaction on empowerment and autonomy were noticeably high with only one neutral respond, more than 66% (n=8) satisfied and 25% (n=3) very satisfied ones. About opportunities for development, three (25%) respondents returned neutral answers, five (41%) and four (33%) of them felt satisfied and very satisfied respectively with the provided opportunities.

There were four of the total twelve respondents chose to explain their choices for question 9. One shift leader expressed that there was not as much room now for her to develop as at when she had first got the job. One respondent felt that although the fair treatment was maintained quite well, friendship outside of the workplace somehow affected the way people treated each other at work. She said when those who were closed with each other worked together, they behaved friendlier with each other. This indicates that relationship amongst workers is also one of the factors affecting employee motivation at KOKORO Oy. The other two answers just expressed they were very satisfied with all the aspects listed in question 9.

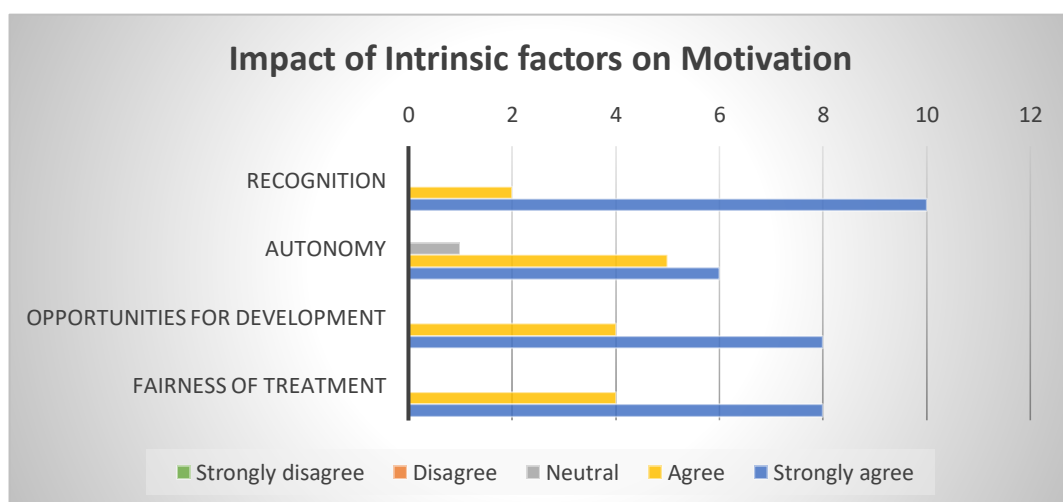


Figure 14: Q11: Impact of intrinsic factors on employee motivation (n=12).

Question 11 aims to investigate the impact of intrinsic factors on KOKORO's employee motivational level. This question asks participants to choose how agreeable they are with the

statements regarding the four intrinsic motivators. Results presented in figure 14 show that most respondents either agreed or strongly agreed with all the statements.

Ten employees (83%) strongly agreed and two out of twelve employees (8%) agreed with the statement “I feel motivated when my contributions are recognized and appreciated.” 50% (n=6) of respondents strongly agreed and 41% (n=5) of them agreed that they were motivated when granted autonomy to freely perform their jobs. Eight respondents (66%) believed strongly that opportunities for development have a major impact on their motivation the other four (33%) also agreed with this statement. The same statistics were returned on the statement “I am more motivated to do my job knowing there is a fairness of treatment at the workplace.”

The findings of the three questions about intrinsic motivation factors indicate that the management of KOKORO Oy has done a good job on promoting and handling these aspects. Most employees were satisfied and intrinsically motivated thanks to the existence and performance of these four elements. It is also confirmed that these intrinsic factors play a significant role in motivating the employees.

**Impacts of employee motivation on employee performance**

Studying the impacts of employee motivation, the researcher focuses on two aspects: employee productivity and employee turnover. Question 13 of the survey was created to collect KOKORO employees’ attitudes towards these two aspects. The findings for this question are expected to tell how much motivational level affects employees on their productivity and their decision to maintain or quit their jobs.

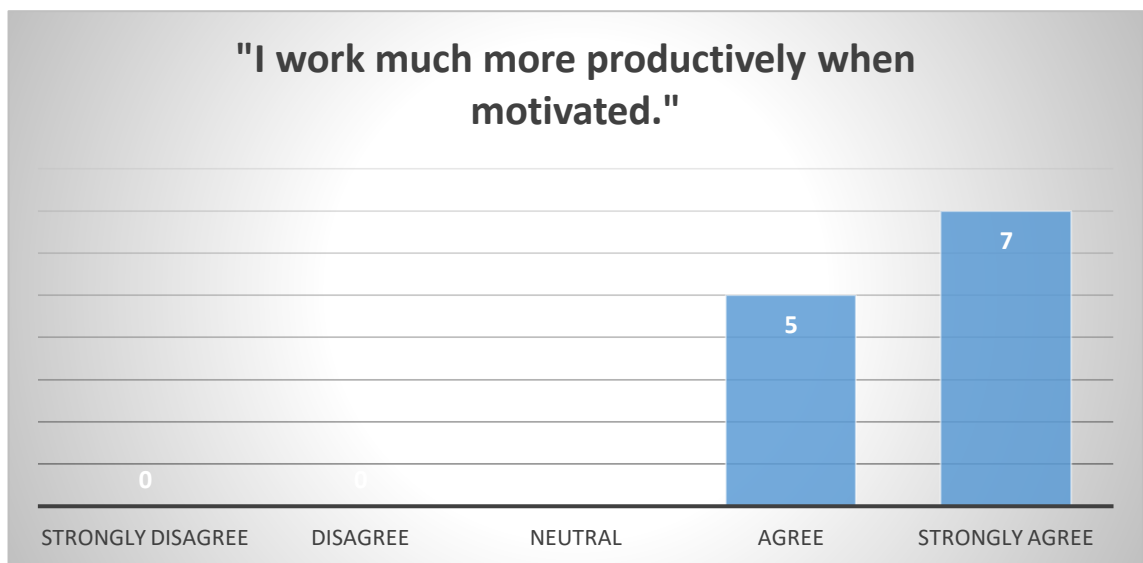


Figure 15: Q12: Impact of employee motivation on productivity (n=12).



In question 12, participants were asked to indicate their level of agreement on two statements. The first statement is shown in the title of figure 15: "I work much more productivity when motivated." Expressing their opinions on this statement, participants help the researcher measure how much impact work motivation has on employee productivity. Findings show that motivation level indeed has a significant impact on productivity. Seven out of twelve employees responded that they strongly agreed with the statement above and the rest of five employees also showed their agreement.

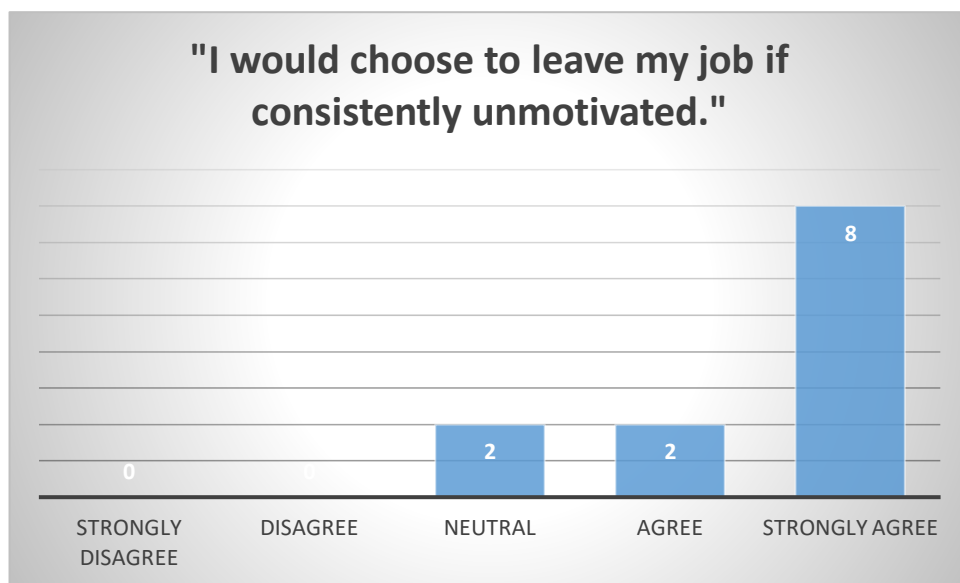


Figure 16: Q12: Impact of employee motivation on employee turnover (n=12).

The second statement in question 12 the participants were asked to respond to the statement "I would choose to leave my job if consistently unmotivated." Data collected on this statement can help determine the employees' attitude on job quitting decision under the impact of motivation and establish the degree of impact work motivation has on employee turnover rate. Results presented in figure 16 indicate that most respondents (more than 66%, n=8) showed strong approval to the statement, claiming they would leave the organization if continuously felt unmotivated. Two respondents also agreed with this opinion and the other two did not show any level of agreement.

In short, it can be confirmed that at KOKORO Oy, employee motivation has a major impact on employee productivity and employee turnover. Improving employee motivation will potentially lead to acceleration of productivity and extend employee retention.

## 6 Recommended strategies for employee motivation enhancement

This chapter will present strategies recommended by the researcher to assist the enhancement of employee motivation, which can be specifically applied for the case company KOKORO sushi restaurant. The study of motivation theories, different determinants of work motivation and the findings from the interview and survey research are the foundation for the development of these strategies. The strategies are developed for the purpose of supporting the management of KOKORO restaurant in both improving and measuring employee motivation.

The recommended strategies consist of two sets of techniques used for two specific matters: improving employee motivation and measuring level of employee motivation. Different methods and practices were designed with consideration of the company culture and resource and workforce characteristics. Some suitable existing techniques that have been used for employee motivation enhancement by the company management are also incorporated in the development of these strategies.

### 6.1 Employee motivation improvement strategies and action plan

The presentation for employee motivation improvement strategies follows the concept of extrinsic and intrinsic motivation. It contains recommended methods for improving the effectiveness of each motivational factor that have been presented throughout the research. These methods then compile into two action plans which include the methods and useful tools that can be used in implementing such methods.

According to motivation theories and research findings, it is important that employees are satisfied and fulfilled with extrinsic needs before motivated by intrinsic ones. (Maslow 1943; Herzberg 1954.) Therefore, it is recommended by the researcher that management should prioritize fulfilling the extrinsic needs of employees through extrinsic determinants and keep monitoring the effectiveness of these motivators to make timely adjustments.

#### 6.1.1 Improving extrinsic motivation

Extrinsic motivators used in this research includes monetary compensation, job security, supervision style and company policies.

##### **Monetary/salary compensation**

Research has found that employees were not very satisfied with the current pay rate offered by the company. Most employees thought they deserved higher salary based on the contributions that they made. People also wanted to have extra compensation or increase in

salary in peak seasons when demands are much higher than in normal situation and they have to work much harder than usual.

Considering the research results and the conditions of KOKORO Oy, the researcher suggests that the company establish a reward system used for encouraging good behavior and performance. Rewards can take form of money, bonus or small perks or benefits such as gift cards, movie tickets... The reward system should be informed publicly and made sure that everyone in the company knows about this system and how it works. For this reward system to work effectively, rewards need to be tied closely to performance. The management must sharply distinguish good performers from average and poor ones to ensure rewards are given to most deserved employees. Moreover, the evaluation criteria for rewards must be clear and unbiased and evaluation process must be handled with fairness.

### **Job security**

Some of the respondents participating the survey claimed that they were unsatisfied with the provision of job security at KOKORO Oy. The reason for unsatisfying job security provision is mainly due to the typical characteristics of the food service industry. Employees at KOKORO sushi are protected by working contracts, thus the most effective way to improve this factor would be to have a contract term indicating the conditions about minimum and maximum number of working hours. Under this condition, employees are protected by law and are ensured enough number of hours and basic salaries.

### **Supervision style**

According the research, employees were very satisfied with the supervision style. Employees felt they were listened by the management and realized the efforts made. The management style currently adopted by KOKORO Oy is a combination of micro and macro management. Micro management is the management style whereby employees are observed closely by the manager, the managers often scrutinize works and go over them very deliberately. This style of management is generally deemed too controlling and causing great level of distress to employees. (Matthews 2018.) On the contrary, macro management style adopts and more "hands-off" approach. Macro manager allows employees the freedom to do their jobs with much less supervision than micro manager. Macro manager can be considered inattentive and out of touch with daily issues. (Hayes 2019.) Getting the balance between micro and macro management is the ideal style of management that businesses aim for. (Matthews 2018.)

At the beginning, micro management was mostly used at KOKORO Oy, the HR manager took deliberate notice at each employee and their behavior at work. However, gradually, the manager gathered opinions from her employees and moved towards a more opened, flexible approach, more of a macro management style. Under the new approach, employees, after

given basic instructions and skilled enough, are given more autonomy to make decisions on how to perform their jobs. The manager still keeps some of the practices of micro management style such as being in charge of informing weekly issues, periodically reviewing performance and keeping track with shift leader reports to timely handle problems. It seems that KOKORO management has found a balance style of management that suits its employees' preference thus it is recommended that this management and supervision style be kept and maintain.

### Company policies

Similar to the supervision factor, employees felt comparatively motivated working under the company culture and policies. The HR manager also stated that the company has been trying to adjust its policies to create a healthy, flexible and balance working environment. To enhance this factor, the management can create a working culture that promote teamwork, mutual reliance and friendship with policies that encourage collaboration amongst coworkers and the sharing of good practices.

IMPROVING EXTRINSIC MOTIVATION		
Motivational factors	Methods	Tools
Monetary compensation	Employ a reward system to encourage good behaviors and performance.	Money, bonus. Benefits: gift cards, movie tickets...
Job security	Having a contract term indicating conditions about minimum and maximum numbers of working hours.	Contract term
Supervision	Maintain the current management style.	The combination of macro and micro management.
Company culture & policies	Maintain the current culture and policies.	Policies that encourage collaboration and sharing of good practices.

	Foster the teamwork, mutual reliance and friendship culture.	
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Table 1: Extrinsic motivation improvement plan

Table 1 presents the extrinsic motivation plan. The content of table 1 is compiled from the strategies for improving employee extrinsic motivation that has been stated previously. With this plan, KOKORO management can follow the recommended methods and implementing tools to enhance each extrinsic motivator and boost the general level of extrinsic motivation of the employees. The specific explanation for each method in this improvement plan has been indicated in the strategies presented in the text above.

#### 6.1.2 Improving intrinsic motivators

The intrinsic factors covered by the recommended strategies include recognition, autonomy and empowerment, opportunities for career and personal development and fairness of treatment. All intrinsic factors were considered satisfying by the survey respondent, all of them were also deemed to be impactful to employee motivational level.

##### **Recognition**

According to the research findings, all employees were satisfied with the way recognitions are given at KOKORO Oy. To maintain the good impression of employees, management should make sure that recognitions are offered timely, publicly and with true appreciation. In order to achieve that, the manager needs to follow employee performance attentively so that encouragement and recognition can be given immediately when contributions are made. manager can make use of social media channels to deliver recognition quickly. Recognitions do not have to be something substantial. An encouraging comment, thank you note or compliment with sincerity is enough to show employees they are appreciated.

##### **Empowerment and autonomy**

The provision of autonomy at KOKORO Oy is also well recognized by the employees. This is thanks to the application of macro management style. A few respondents felt that shift leaders can even give more room for other chefs and chef assistants to make decisions at work. The author recommends that manager can consider asking shift leaders to loosen up a little when working with employees they feel have enough skills and ability to handle simple tasks by their own. For those who are still inexperienced and not skillful enough, close management is still needed.

##### **Opportunities for development**

It is undeniable that the restaurant environment does not provide many chances to growth for part-time workers, except from those aiming for a career in the food service industry. With the workforce of mostly students working part-time, KOKORO may not be considered an ideal environment for career development. Nevertheless, there are some methods the management can use to enhance this motivation factor.

The management can design some interesting jobs that are meaningful and create a sense of contributions. For example, creating an internal marketing plan to foster the friendship amongst coworkers or organizing a teambuilding... Working on these small projects can help employees gain new skills, release stress and create a sense of fulfillment about their job.

### **Fairness of treatment**

All employees responding to the survey agreed that they were treated fairly at work. This is resulted from the consistent practices of transparency in delegating tasks, granting rewards and recognitions. It is recommended that the company maintain the transparency in process of performance management and resource allocation to retain the satisfaction of employee, preventing them from feeling treated unfairly and becoming unmotivated. Management can employ tools such as peer evaluation, Employee appreciation events... to enhance this factor of motivation.

<b>IMPROVING INTRINSIC MOTIVATION</b>		
<b>Motivational factors</b>	<b>Methods</b>	<b>Tools</b>
Autonomy	Enhance macro management on the level of shift leaders.	Macro management.
Recognition	Follow employee performance attentively. Giving recognitions immediately when good behaviors occur.	Use social media for quick delivery of recognitions.
Opportunities for development	Design tasks that are interesting and meaningful.	Task such as: creating an internal marketing plan; organizing teambuilding events, etc.

Fairness of treatment	Maintain the transparency in process of performance management and resource allocation.	Peer evaluation, employee appreciation events, etc.
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Table 2: Intrinsic motivation improvement plan

The plan for improving intrinsic motivation is indicated in table 2. Like the one used for extrinsic motivation, this plan also includes the specific methods and tools, yet in this case, they are used for boosting intrinsic motivation factors. This improvement plan combines the existing methods that have been in use at KOKORO restaurant with new strategies recommended by the author of the research. It is supposed to assist KOKORO management in fostering and improving the intrinsic motivational level of its workforce. The specific strategies for this improvement plan can be found in the previous text.

## 6.2 Employee motivation measurement strategies

Measuring employee motivation is a challenging job as motivation is a qualitative rather than quantitative issue. A well-established employee motivational measurement plan helps employers gain insight in their employees' behavior, course of actions as well as expectation. This allows employers to work quickly and effectively to prevent any type of consequences caused by job dissatisfaction and enhance job performance. The measurement plan proposed in this thesis was developed with the purpose of providing KOKORO Oy management a tool to monitor the level of motivation of the company workforce. The plan includes three different methods that can be adopted to measure the degree of motivation at KOKORO Oy.

First of all, measuring of motivation should be performed regularly and deliberately. The tools designed for measurement should be tested in advance to ensure there is no misleading or bias in the content. Management needs to continuously improve and adjust the content and implementation of these tools for them to work most effectively.

### **Performance Observation**

Using observation is the most common strategy to measure motivation. The direct relationship between motivation and performance shows the efficacy of tracking employees' motivation to determine how engaged and motivated they are at work. Along observing, managers should develop a tracking plan to measure behavior, improvements in performance and quality of work done. There is variety of criteria a tracking plan can cover, depending on the purpose of observation and the features of observation target. For instance, for new staffs, it is useful to look at their demonstrating initiative in asking for more challenging

assignment, additional work or training for new skills; for regular employees, their motivation can be measured through the ways they offer assistances to new staffs, how enthusiastic they are in making improvements at work and how much they are engaged in developing new working processes or procedures for efficiency.

### **Employee opinion surveys**

The use of employee opinion surveys to measure employee motivation has been adopted by KOKORO Oy management. However, the returned results from the employed surveys failed to reach the management expectation. The reason for this, shared by the HR manger in the interview, was due to people's resistance in giving their honest opinions knowing that their identities are known while their answers are be viewed by the manager. Another cause for the lack of quality in survey answers were that people were unwilling to spend time and effort on them.

Considering the drawbacks of the current survey implementation, the author suggests two approaches that the company manager can go about this method. First approach is to use a third-party service to conduct these surveys instead of directly organizing them. Surveys should be conducted through email or online as such surveys are less personal and can ease the tension of face-to-face interviews. The second approach of opinion surveys is to enhance the engagement of employees in the activity. This engaging goal can be achieved by delivering the purpose of the surveys, ensuring employees that the company truly cares about their job satisfaction and their answers can significantly impact the adjustment and improvement in policies and practices which directly affect their rights and duties at the company. Managers can also involve employees in the resolution of issues realized from their response to create a sense of contributions.

### **Customer satisfaction surveys**

Customer satisfaction surveys can be used to evaluate the general motivational level of the company workforce. By determining the satisfaction of customers, mangers can identify whether the employees are motivated in performing the delivery of service. Highly motivated employees likely to result in highly satisfied customers. For this type of surveys to work effectively, customers should be asked about their experiences as soon as possible while those experiences are still fresh.

METHODS	HOW TO IMPLEMENT
Performance observation	<ul style="list-style-type: none"> <li>•Develop a tracking plan for each employee measuring behavior, improvement, quality of work done.</li> </ul>



	<ul style="list-style-type: none"> <li>•Loosen up along the time to avoid scrutinization.</li> </ul>
Employee opinion surveys	<ul style="list-style-type: none"> <li>•Either or both:</li> <li>•Use a 3rd party service provider to implement the surveys;</li> <li>•Enhance employee engagement by delivering the purpose of the surveys and involving employees in resolving the emerged problems.</li> </ul>
Customer satisfaction surveys	<ul style="list-style-type: none"> <li>•Ask about customers experience when using the service.</li> <li>•Ask as soon as possible while the experience is still fresh.</li> </ul>

Table 3: Employee motivation measurement plan

Presented in table 3 is the employee motivation measurement plan compiled from the before stated strategies. This plan also makes use of existing methods with new implementing way. It is expected to help the company management not only better track the employee motivational level but also enhance their engagement to building a healthy work environment and contributing to company success. Detail explanation for the measurement plan has also been presented in the strategies above it.

## 7 Conclusion

This research is a dedication to study of employee motivation and its impact on performance. The objectives of the thesis are to measure the level of motivation of employees of KOKORO sushi restaurant; to identify the extrinsic and intrinsic determinants that have the most impact on their motivational level and understand the impact of employee motivation on performance. The combination of study on motivation theories and the implementation of researches at KOKORO restaurant has helped the author to achieve these goals.

The motivational level of employees at KOKORO restaurant was found to be comparatively high - above average level. Research indicated that most employees are satisfied with the provision of different motivational factors by the company management, especially those that have intrinsic impacts on motivation. Employees' most significant concerns were the fairly low monetary compensation and the provision of job security. Solutions have been proposed to improve the situation.

Research has found that both extrinsic and intrinsic factors considerably impact the degree of employee motivation of KOKORO workforce. Findings showed that employees are extrinsically driven by salary, the provision of job security, supervision style and policies of the company; and intrinsically motivated by recognition, granting of autonomy, development opportunities and the fairness of treatment. Amongst the extrinsic determinants, supervision style and salary factors are deemed most impactful to employee motivation. In terms of intrinsic motivation, all four factors have relatively the same level of impact.

The effect of motivation on two aspects of performance: productivity and turnover at KOKORO Oy has been confirmed. Highly motivated employees are more enthusiastic to learn, perform and improve their jobs, which results in positive influence on the company overall productivity. On the contrary, consistently unmotivated, unsatisfied employees seek to leave their organizations for better environment, causing turnover rate to rise, leaving a burden on recruitment and training and the company performance in a whole. Thus, improving employee motivation can contribute greatly in business success.

The findings of research have helped the author develop different strategies that can support KOKORO Oy management in enhancing employee motivation. Solutions for the two most concerned issues of motivation: improving and measuring are covered by these strategies. KOKORO managers can use the proposed methods, techniques and tools to monitor their employee motivation and enhance it to achieve excellence performance.

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Appendix 1: Manager interview on KOKORO Oy employee motivation.

Interview themes	Interview Questions
General Information	Please introduce yourself.
	Can you please tell me shortly about your business?
Management's Attitude on Employee Motivation	What do you know about work motivation or employee motivation?
	Are you familiar with motivation theories and practises?
	Have you adapted these theories into real practise at KOKORO restaurant?
	Does KOKORO management team consider improving work motivation an important factor for effective HR management and the company success?
Employee Motivational level	What do you think about the motivational level of your current employees?
	Does the company have any plans or strategies to modify employee motivation?
	Do you think the level of motivation has been increasing through time?
	How do you know when one or more staff members are unmotivated?
Employee Motivational Influencers	What are the extrinsic factors that most affect your employee motivation? (with explanation about extrinsic motivators)
	What are the intrinsic factors that most affect your employee motivation? (with explanation about intrinsic motivators)
	Which kind of motivational factors do you consider influences KOKORO's employees more?
Employee Motivation Enhancement Practices	Does the company have any strategies to enhance employee motivation? Can you explain these strategies?
	How have you developed these strategies?
	Do you think these strategies worked? How do you measure their effectiveness?
Management's Challenges and Expectations on Employee Performance	What challenges does the company face in HR management?

What are the performance aspects you wish to improve through work motivation enhancement?

## Appendix 2: Web-based survey questionnaire

Hello, I am Quynh Bui, an undergraduate student at Laurea UAS. I am currently working on my final thesis on employee motivation and performance.

This survey is conducted in attempt to understand what drives employee motivation at KOKORO sushi restaurant. The survey will take approximately 5 to 10 minutes to complete. Your provided answers will be kept private and confidential and will be used only for the purpose of this thesis. Thank you for taking the survey!

### Section I: General information

Q1: What is your age group:

18 to 25.

25 to 30.

Over 30.

Q2: How long have you work for KOKORO sushi restaurant?

Less than a year.

1 to 3 years.

More than 3 years.

Q3: What is your position at work?

Shift leader.

Chef.

Chef assistant.

Q4: What is the nature of your work contract?

Part-time with fixed-term contract.

Full-time with fixed-term contract.

Permanent contract.

Q5: How do you rate your motivational level at work?

Poor.

Below average.

Average.

Above average.

Excellent.

**Section II: Extrinsic factors influencing employee motivation.**

Q6: Please indicate your satisfaction level towards the listed below factors of your current job.

	Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very satisfied
Monetary/Salary Structure					
Provision of Job Security					
Leadership/Supervision Style of the management					
Company's Policies					

Q7: (optional) Please elaborate your answer for the above question. (Explain why you feel satisfied or unsatisfied.)

Q8: How much impact do the factors listed below have on your motivational level?

	Little impact	Average impact	Above average impact	Major impact
Monetary/Salary Structure				
Provision of Job Security				
Leadership/Supervision Style of the management				
Company's Policies				

**Section III: Intrinsic factors influencing employee motivation.**

Q9: Please indicate your satisfaction level towards the listed below factors of your current job.

	Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very satisfied
The recognition for my contributions					
The level of empowerment and autonomy I am granted at work					
The opportunities for my personal development					
The practice of fairness of treatment					

Q10: (optional) Please elaborate your answer for the above question. (Explain why you feel satisfied or unsatisfied.)

Q11: Please indicate your level of agreement with each statement listed below.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I feel motivated when my contributions are recognized and appreciated.					
I feel motivated when given the autonomy and freedom to flexibly perform my job.					
The opportunity for personal development has a major impact on my level of motivation.					
I am more motivated to do my job knowing there is a fairness of treatment at the workplace.					

**Section IV: Impact of employee motivation on performance.**

Q12: Please indicate your level of agreement with each statement listed below.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I work much more productively when motivated.					
I would choose to leave my job if consistently unmotivated					

Thank you for completing the survey!