

Expertise and insight for the future

Mihkel Vaim

Job Motivation in a Small and Medium-Sized Enterprises

Metropolia University of Applied Sciences
Bachelor of Business Administration
International Business and Logistics
Bachelor's Thesis
9 April 2021



Author Title	Mihkel Vaim Job Motivation in a Small and Medium-Sized Enterprises
Number of Pages Date	53 pages + 1 appendix 9 April 2021
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Instructor/Tutor	Adriana Mustelin, Senior Lecturer

Motivation is a process that is influenced by individuals internal and external forces. Motivated employees are more productive than unmotivated employees, their absenteeism rate is lower, and they experience less work-related stress. While it is possible to motivate employees externally by offering rewards for a work well done, such as monetary incentives, it is often not affordable for small and medium-sized enterprises.

Employees who are internally motivated are more engaged with their work. They are more productive, identify organisational success with their own, and studies show that in organisations where employees are internally motivated, the work environment is better. However, it is more difficult to motivate employees intrinsically as it comes from within a person, and as each individual is different, there is no one-size-fits-all solution for organisations.

This study aimed to learn the main motivation factors at the non-profit organisation and understand how engaged non-profit employees are with their work. The case study was conducted at the Finnish non-profit organisation located in Helsinki.

This thesis analysed classical motivation theories to increase the validity of the research. The theories reviewed were Maslow's Hierarchy of Needs Theory, Herzberg's Two-Factor Theory and McClelland's Theory of Needs. The theories influenced research questionnaire design and analysis.

The exploratory research findings showed that non-profit organisation employees were highly engaged with their work. The highest-ranked motivation factors were intrinsic motivation factors, and the primary motivation factors were job characteristics, job security, social bonds, and opportunity for growth. Monetary incentives were among the least important motivation factors.

Keywords	employee motivation, employee engagement, business & administration, non-profit organisation
	administration, non-profit organisation

Contents

Tables and figures

1	Intro	duction		1
2	Litera	ature re	view	2
	2.1	Import	ance of motivation in SMEs	2
		2.1.1	Overview of small enterprises in the European Union and Finland	2
		2.1.2	Retaining employees in SMEs	4
		2.1.3	Non-profit organisations in Finland	5
		2.1.4	For-profit vs non-profit organisations	6
		2.1.5	Consequences of low motivation	6
	2.2	Motiva	ation	7
		2.2.1	Intrinsic motivation	8
		2.2.2	Extrinsic motivation	8
		2.2.3	Motivation process	9
		2.2.4	Motivation factors in non-profit organisations	10
		2.2.5	Trends and problems regarding employee motivation	10
	2.3	Motiva	ation theories	11
		2.3.1	Hierarchy of Needs Theory	11
		2.3.2	Herzberg's Two-Factor Theory	13
		2.3.3	McClelland's Theory of Needs	14
		2.3.4 Theori	Similarities between Maslow, McClelland, and Herzberg Motiva es	ation 15
	2.4	Emplo	yee engagement	16
3	Rese	earch m	ethodology	18
	3.1	Resea	rch strategy	18
	3.2	Resea	rch design	19
	3.3	Sampl	e selection	20
	3.4	Surve	y design	20
	3.5	Data c	collection	20
	3.6	Reliab	ility and validity	21
	3.7	Overv	lew of the Organisation X	22
		3.7.1	Employees at the Organisation X	22



Res	earch a	nalysis	23
4.1	Part 1	 Findings of the motivation factors 	23
	4.1.1	Extrinsic motivation factors	23
	4.1.2	Intrinsic motivation factors	25
4.2	Part 2	2 – Findings of the employee's work engagement	27
4.3	Synth	esis	31
	4.3.1	Financial motivation	31
	4.3.2	Maslow's Hierarchy of Needs	32
	4.3.3	Herzberg's Two-Factor Theory	33
	4.3.4	McClelland's Theory of Needs	34
Con	clusion		35
5.1	Advice	e for the management	36
5.2	Limita	ations and advice for further research	37
feren	ces		39
pendi	ces		
	4.1 4.2 4.3 Con 5.1 5.2	4.1 Part 1 4.1.1 4.1.2 4.2 Part 2 4.3 Synth 4.3.1 4.3.2 4.3.3 4.3.4 Conclusion 5.1 Advice	4.1.1 Extrinsic motivation factors 4.1.2 Intrinsic motivation factors 4.2 Part 2 – Findings of the employee's work engagement 4.3 Synthesis 4.3.1 Financial motivation 4.3.2 Maslow's Hierarchy of Needs 4.3.3 Herzberg's Two-Factor Theory 4.3.4 McClelland's Theory of Needs Conclusion 5.1 Advice for the management 5.2 Limitations and advice for further research

Appendix 1. Questionnaire

Tables and figures

Table 1. SME factors in the EU	3
Table 2. Finnish SMEs — basic figures 2016 and 2019 comparison	4
Table 3. Motivational satisfiers and dissatisfiers	13
Table 4. Average rating of the extrinsic motivation factors at the organisation	24
Table 5. Average rating of the intrinsic motivation factors at the organisation	25
Table 6. Employee work engagement weighted average	28
Table 7. Non-profit organisation employees' Hierarchy of Needs	32
Table 8. Motivation factors from McClelland Theory of Needs perspective	34
Figure 1. The motivation process	9
Figure 2. Maslow's Hierarchy of Needs	12
Figure 3. Similarities between Maslow, McClelland, and Herzberg Motivation Theories	16
Figure 4. Employer practices influence business results	17
Figure 5. Organisation X organisational chart	22
Figure 6. Extrinsic motivation factors at Organisation X	24
Figure 7. Intrinsic motivation factors at Organisation X	26
Figure 8. Respondents work engagement	29



1 Introduction

Within the last century, the adoption of technology has changed the nature of work, and the shift from selling goods to selling services has taken place. While it has increased the overall living standards and increased the demand for skilled employees, jobs' nature has permanently changed. Nowadays, many job positions require employees to be more creative and require working in smaller teams. For people to be productive, they need to be motivated, and many organisations have recognised that motivated employees can be their competitive advantage.

Employees' work motivation plays a significant role in any organisation, no matter their size, as motivation directly affects employee productivity. Unmotivated employees are less productive and tend to have difficulties finishing their projects on time, and studies show that employees with low motivation are more likely to quit their jobs (Bernazzani, 2017).

Among other factors, low or no work motivation can cause absenteeism in the workplace, generating additional costs for organisations due to productivity loss (Thirulogasundaram and Sahu, 2014). According to the Eurofund study (2010), the rate of absenteeism at the workplace is growing in Finland. Compared to 2003, in 2010, the absenteeism rate per employee had risen 16.4% from 8.4 days to 9.9 days per year, and in Finnish small and medium-sized enterprises (SMEs), average employees are absent 9,6 days per year. The study showed a correlation between respondents who said they are dissatisfied with their employer and absenteeism.

According to Maslow's Hierarchy of Needs, for people to become more effective and valuable as employees, their lower needs need to be fulfilled first (Maslow, 1943, cited in Kremer and Hammond, 2013).

The focus of this thesis is to understand what employees' motivation factors in a non-profit organisation are. The aim is to conduct a case study in a small Finnish non-profit

organisation to determine its employees' main motivational factors and understand how engaged its employees are with their work.

Research questions are:

- What are the main motivating factors in the Finnish non-profit organisation?
- How engaged are Finnish non-profit organisation employees in their work?

As the research focuses only on one organisation, its findings cannot be generalised to all non-profit organisations.

Based on literature review and motivation related studies such as Ujčić (2015) and Leete (2000), the research hypothesis is that:

• The main motivation factors at the non-profit organisation are intrinsic motivation factors.

This study consists of 5 chapters.

- Chapter 1 is the introduction part of the thesis, which gives general information, purpose, objectives, and study structure.
- Chapter 2 gives an overview of the importance of workplace motivation and outlines a theoretical framework where all the relevant theories are explained.
- Chapter 3 addresses the empirical research.
- Chapter 4 focuses on the analysis of the research.
- Chapter 5 reports the conclusions.

2 Literature review

- 2.1 Importance of motivation in SMEs
- 2.1.1 Overview of small enterprises in the European Union and Finland

European Commission's Recommendation 2003/361 article 2 states that micro, small and medium-sized enterprises (SMEs) in the European Economic Area (EEA) are

enterprises that have less than 250 employees and have an annual turnover that does not exceed EUR 50 million (European Union Law, 2003). Nine out of ten enterprises and two out of three jobs in the European Union (EU) are in SMEs (European Commission, 2015).

In the EU, SMEs are divided into three categories: micro, small and medium-sized. As shown in Table 1, micro-enterprises have less than ten employees, and their annual turnover and or balance sheet total is EUR 2 million. Small enterprises have less than 50 employees and have an annual turnover and or balance sheet total less than EUR 10 million, and medium-sized enterprises have less than 250 employees and have an annual turnover of less than EUR 50 million and or balance sheet total of less than EUR 43 million (European Union Law, 2003).

Table 1. SME factors in the EU (European Union Law, 2003).

Company	Staff	Turnover	or	Balance sheet total	
category	headcount				
Medium-sized	< 250	≤€ 50 m	≤	€ 43 m	
Small	< 50	≤€ 10 m	≤	≤ € 10 m	
Micro	< 10	≤€2 m	≤	≤ € 2 m	

As shown in Table 2, in 2019, 99.7% of enterprises in Finland were SMEs, and they employed 65.2% of the Finnish workforce generating 59.6% of the annual value-added turnover. In 2019, 90.9% of enterprises were micro-enterprises that employed 23.9% Finnish employees and generated 18.5% of value-added turnover, 7.5% were small enterprises, hiring 22.4% of the workforce and generating 19.4% of turnover, and medium-sized companies were 1.3% of Finnish SMEs, employing 18.9% of Finnish employees and generating 21.7% of value-added turnover (European Commission, 2019).

Table 2. Finnish SMEs — basic figures 2016 and 2019 comparison (European Commission, 2016; European Commission, 2019).

Class	Number of enterprises			Number of persons			Value-added		
size				employe	d				
	2016	2019	Change	2016	2019	Change	2016	2019	Change
	Share	Share	%	Share	Share	%	Share	Share	%
Micro	93%	90.9%	- 2.1%	25%	23.9%	-1.1%	22.4%	18.5%	-3.9%
Small	5.7%	7.5%	+2.8%	21.6%	22.4%	+0.8%	20%	19.4%	-0.6%
Medium-	1%	1.9%	+0.9%	18%	18.9%	+0.9%	19.1%	21.7%	+2.6%
sized									
SMEs	99.8%	99.7%	- 0.1%	64.6%	65.2%	0.6%	61.5%	59.6%	-4.6%

While medium-sized enterprises in Finland generate the most value-added turnover, they are not the most popular SMEs class. Recent changes in SMEs show that small enterprises are becoming more popular in Finland, having increased in 2019 2.8% since 2016 in the SMEs market (European Commission, 2016; European Commission, 2019).

2.1.2 Retaining employees in SMEs

According to the report by Aldermore (2018), over two thirds (67%) of SMEs have difficulties hiring qualified staff members, one fourth (26%) are struggling with retaining current employees, and one fifth (20%) are faced with a high level of staff turnover. Nearly a fourth (24%) of employees who left a position at a SMEs landed a job in a larger organisation because of quicker career progression (21%) or pay rise (21%).

High employee turnover rate impacts organisations negatively as replacing an employee is time-consuming and costly. In the US, it costs an average of USD (US dollars) 4,000 and 24 days to replace an employee (Glassdoor, 2019) and with training cost and potential lost revenue, replacing an employee can cost up to USD 17,000 (Bika, n.d.).

While big organisations are more flexible and can afford to replace employees, it can cripple SMEs because it negatively impacts their financial situation. Finding a qualified employee who fits the company culture and retaining them is more challenging for SMEs than for large organisations (Johnson, 2017).

Having a high employee turnover rate also impacts current employees. It lowers other employee's engagement rate and work productivity. When a company's turnover rate gets high, more employees are more likely to change their workplace (Kantor, 2016).

2.1.3 Non-profit organisations in Finland

Non-profit organisations, also known as "the third sector" or "civil societies", are SMEs. There are several types of non-profit organisations, and they provide services in all fields. They differ in size, geographical reach, and degree of formalisation (Olkkonen and Quarshie, 2019, pp.53-54). They are usually established by people who have common goals and interests and aim to achieve shared civil, economic, social, and cultural rights without earning profits (Ciucescu, 2009).

Finland's non-profit organisations date back to the eighteenth century, when the middle classes demanded redistribution of social rights and responsibilities. People's activities in organisations, political parties, and trade unions influenced their intellectual, spiritual, and economic development (Harju, 2020).

Finland currently has over 104,000 registered non-profit organisations (Olkkonen and Quarshie 2019, p.54), which consist of several types of non-profit organisations (Harju, 2020):

- Associations
- Churches and faith-based organisations
- Foundations
- Nongovernmental organisations (NGO)
- Political parties
- Small-scale cooperatives
- Trade unions
- Other civil society groups

2.1.4 For-profit vs non-profit organisations

Every organisation has its purpose, but one distinct difference between for-profit and non-profit organisations is that for-profit organisations' primary purpose is to earn profits (Norwich University Online, 2016).

Additionally, non-profit and for-profit organisations have different funding models. When for-profit organisations seek out funding, they offer their investors equity or dividends and return on their investment. On the other hand, non-profit organisations receive their funding through donations that are often received from different actors such as individuals, governments, and corporations. In return, they offer "social return" on capital (Chen, 2013).

Despite popular opinion, non-profit organisations also have organisational structures such as the board of directors, management and financial controls that ensure their longevity. Compared to non-profit organisations, for-profit organisations have more transparent organisational structures, while the non-profit organisations' decisions are made and or confirmed by the board of directors, who often are volunteers. Some non-profit organisations boards can have up to 100 members, and their leading role is to balance financial concerns with the organisations' mission and at the same time guide the future of the company (Norwich University Online, 2016).

Due to for-profit organisations aim of earning profits, there are differences in for-profit and non-profit organisational cultures. In non-profit organisations, organisational culture is usually more community-oriented, and work often revolves around tasks that have a low monetary impact (Norwich University Online, 2016).

2.1.5 Consequences of low motivation

Motivated employees are organisations' assets, and it is essential that managers understand what motivates their employees. Employees with low motivation are often late, they do not identify organisations' success with their own, and their work productivity is low because they get more distracted by non-work-related activities and unmotivated employees are more stressed (Leonard, 2019).



According to Mental Health America (2017, p.11), organisations where employees are recognised and appreciated, have better employee perception of management and have increased co-worker support. On the other hand, in organisations where supervisors do not recognise their employee contribution, work environments are unhealthier, and employees are more stressed.

American Psychological Association (2015) reports that over 60% of US citizens experience work-related stress, and healthcare costs among those who work at high-pressure organisations are twice as high as those who work at other organisations. At the same time, the National Institute of Health (n.d) says that stress affects everyone and it is not necessarily bad for us, as it can be considered a motivator. Stress becomes a problem when people are experiencing long-term stress. It can affect our ability to concentrate, cause mood changes, and lead to serious health problems such as heart disease, high blood pressure, and various mental disorders. The World Health Organization (n.d.) considers work environments that do not support employee's mental well-being a health risk.

The World Economic Forum estimates that mental disorders' global impact costs us a cumulative 16.3 trillion US dollars between 2011 and 2030 due to the toll of lost work productivity. Still, they note that it can be turned around if organisations globally take action to improve work environments (Candeias and Bernaert, 2017).

According to Whillans (2009 as cited in Gerdeman, 2019), while salary is important in people's lives, it is not something that motivates people. People are mainly motivated through their appreciation and work recognition.

2.2 Motivation

The word motivation is derived from the Latin word *movere* or *motum*, which means "to move" (Kroth, 2007). According to Lauby (2005, p.1), motivation is a psychological force that determines the person's behaviour, effort towards work, and persistence level. In Oxford Reference (2021), motivation is defined as "the mental processes that arouse, sustain, and direct human behaviour", and it may stem from processes taking place

within a person (intrinsic motivation) or stem from processes that affect a person from outside (extrinsic motivation).

According to Pritchard and Ashwood (2008, pp.6), "motivation is the process used to allocate energy to maximise the satisfaction of needs". The authors reasoned that we distribute energy to a different action by deciding its direction, effort, and persistence, where the direction is what sets the focus, effort determines how hard we work on it, and persistence determines how long we work on the action.

Our work motivation is influenced by individual internal psychological, and external forces and their interaction with one another. Internal factors include individual personality traits, needs and work fit. External factors are environmental factors such as cultural, societal, and work organisational factors (Shkoler and Kimura, 2020).

It is essential for managers to understand what motivates their employees, as motivation influences employee's performance, retention, creativity, problem solving and other work-related activities and outcomes (Kukreja, 2020). If the aim is to increase employees' work performance and behaviour, their energy needs to be allocated, but it can be achieved only by changing the correct components of motivation. Individuals' behaviour cannot be changed without changing motivation (Pritchard and Ashwood, 2008, p.7).

2.2.1 Intrinsic motivation

Intrinsic motivation is an internal motivation associated with individuals' work excitement and feeling of accomplishment, generating personal satisfaction (Shkoler and Kimura, 2020). Individuals who are intrinsically motivated are more engaged in their activities as it brings them enjoyment and satisfaction. They make more significant contributions to their activities and are more creative, and enjoy taking responsibility (Kukreja, 2020).

2.2.2 Extrinsic motivation

Extrinsic motivation is an external motivation that is influenced by work itself and by the work environment. It ranges from social norms, peer influence, financial needs and promises of rewards (Shkoler and Kimura, 2020). Extrinsically motivated individuals do

their job only because they look forward to receiving rewards, which they receive after completing their task at hand (Kukreja, 2020).

2.2.3 Motivation process

Motivation can be described as a manufacturing process that consists of a series of interconnected steps to produce the end product. If one step disappears or is taken away, the entire process breaks, and there is no end product (Pritchard and Ashwood, 2008, p.8). The motivation process's essence is setting goals because motivational behaviour is goal-orientated no matter if the goals are self-assigned or given by others (Meyer, Becker and Vandenberghe, 2005).

As illustrated in Figure 1, motivational goals are derived from human needs, values, personality traits and self-efficacy perceptions that individuals gain through their experiences. Goals and their directions may vary depending on the external incentives and on self-efficacy. Performance efforts influence experienced satisfaction. If the experience is negative, it can lead to work avoidance and deviance (Meyer, Becker and Vandenberghe, 2005). If the satisfaction of personal needs is achieved, the higher is the likelihood that the employee wants to repeat the same action (Revuelto-Taboada and Guerrero, 2012).

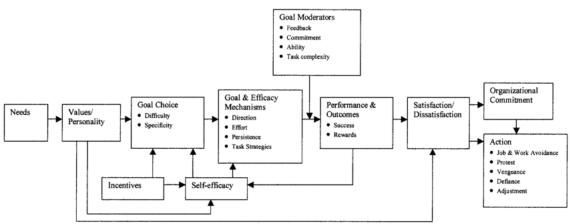


Figure 1. The motivation process (Locke, n.a, cited in Maehr and Pintrich, 1997, p.402).

2.2.4 Motivation factors in non-profit organisations

Multiple studies indicate that employees at non-profit organisations have higher intrinsic motivation than their counterparts at for-profit organisations. According to Leete (2000, p.424), it is because non-profit organisations operate with different missions and goals than for-profit organisations. Her study showed that employees in non-profit organisations feel that "their work is more important to them than the money they earn" (Mirvis and Hackett, 1983, quoted in Leete 2000, pp. 428). Additionally, employees at non-profit organisations have higher intrinsic motivation because they have more variety, challenges, and autonomy in their work. If employees are successful, they receive intrinsic rewards such as a feeling of accomplishment and self-respect. However, she also argues that intrinsic reward is costly and fragile, and employers should not count on their employees to self-motivate.

2.2.5 Trends and problems regarding employee motivation

A recent study conducted by the HR specialist Bivainienė (2019) revealed that:

- 12% of young specialists identify lack of feedback as one of the main reasons for changing their job.
- 21% of young specialists will instead do less meaningful work if it is more combined with leisure activities.
- 27% of professionals found that being involved in making business strategy was their most important motivation factor.
- 64% of junior specialists identify consistent onboarding as critical success for their future career.
- 89% of professionals would like to see their work's contributions in the organisation's results.

According to Clark and Saxberg (2019), employees are losing their motivation because of:

- Mismatch of values
- Lack of self-efficacy
- Disruptive emotions
- Attributions errors



A mismatch of values occurs because employees do not feel that they contribute to the organisation, and often managers assume that what motivates them also motivates their employees. That can be avoided by identifying employees' values, assigning them intrinsically exciting tasks, and pointing out how they contribute to the organisation (Clark and Saxberg, 2019).

Lack of self-efficacy occurs when employees have low faith in themselves for carrying out a task at hand. That can happen when they have received a task they have not done prior and do not have the required knowledge. To avoid that situation, Clark and Saxberg (2019) suggest that managers should gradually give their employees more challenging tasks or allow employees to complete the current challenging task in smaller manageable chunks.

Disruptive emotions can be anxiety, anger, or depression and often, employees who experience these kinds of emotions are unable to carry out their tasks. When managers notice such behaviour among employees, they should have a private conversation with employees to understand what causes these kinds of emotions and try to find a positive solution (Clark and Saxberg, 2019).

Attribution error occurs when an employee knows that something is wrong, but they cannot identify the cause or the reason is beyond employees' control. To avoid attribution errors becoming demotivational factors, managers should encourage their employees to talk with them when they struggle with identifying causes. If needed, managers should adopt a new strategy or apply a greater level of planning (Clark and Saxberg, 2019).

2.3 Motivation theories

2.3.1 Hierarchy of Needs Theory

Practising managers have widely recognised Abraham Maslow's hierarchy of needs theory which categorises humans needs into five basic levels: psychological, safety, social, esteem and self-actualisation.

According to Theory, illustrated in Figure 2, people can move to the next level of needs when the current level's needs are satisfied. Additionally, the Hierarchy of Needs Theory levels is categorised into two: higher and lower-order needs. The first two levels, psychological and safety needs, are considered lower-order needs, and social, esteem and self-actualisation are considered higher-order needs. Lower-order needs are satisfied externally, and higher-order needs are satisfied internally (Robbins and Judge, 2013, pp.203-204).



Figure 2. Maslow's Hierarchy of Needs (Robbins and Judge, 2013, p.203).

According to Chron (2020), in practice, businesses can motivate employees by satisfying their needs according to Maslow's Hierarchy of Needs Theory by making sure that they:

- Fulfil employees' psychological needs by paying them enough financial compensation to buy food and pay rent.
- Fulfil safety needs by offering job stability through employment contracts and ensuring that employees do not have to worry about medical expenses.
- Satisfy social needs by offering a culture based on mutual respect and encouraging employees' social integration.
- Fulfil esteem needs by recognising employees' achievements by maintaining a sense of fairness among employees.
- Satisfy self-actualisation by giving employee prospects for career growth.
 In non-profit enterprises, it can be achieved by providing opportunities to use their skills to help. In for-profit enterprises, it can be satisfied by offering a more demanding job role in a company.

2.3.2 Herzberg's Two-Factor Theory

Frederick Herzberg (1959, cited in Mills et al., 2007, p.220) was a researcher and an author of one of the best-known theories of people management, the Two-Factor Theory. It is also known as Motivator-Hygiene Theory, which Herzberg developed in the 1950s and 1960s by studying engineers and accountant's motivation at Texas Instruments Incorporated that was going through growth from 1,700 to 17,000 employees. Two-Factor Theory differentiates motivation factors into motivators (satisfiers) and hygiene factors (dissatisfiers).

Herzberg (1959) argued that employees' dissatisfaction and satisfaction are two different concepts because removing employees' dissatisfaction does not result in satisfaction (cited in Tesavrita and Suryadi, 2012, p.300). As illustrated in Table 3, there are job factors that result in job satisfaction (satisfiers), which are motivational factors, and other factors that prevent dissatisfaction (dissatisfiers), which are hygiene factors. According to the Two-Factor Theory opposite of satisfaction is not dissatisfaction, and the opposite of dissatisfaction is not satisfaction (Robbins and Judge, 2013, pp.205-207).

Table 3. Motivational satisfiers and dissatisfiers (Herzberg, Mausner and Snyderman, 1959, pp.59-83).

	Satisfiers		Dissatisfiers
•	Achievement	•	Company policy
•	Recognition	•	Fringe benefits
•	Work itself	•	Interpersonal relations
•	Responsibility	•	Job security
•	Advancement	•	Personal life
•	Growth	•	Salary
		•	Status
		•	Supervision
		•	Working conditions

Satisfiers are motivational factors such as achievement, recognition, responsibility, growth and advancement, and they are associated with self-actualisation. Dissatisfiers are motivation factors that the organisation's administration and policies directly impact. They include factors such as salary, supplemental benefits and working conditions. While negative motivators can be dissatisfiers, such as a failure to achieve, they do not occur as frequently (Myers, 1964).

While Herzberg's Theory is similar to Maslow's Theory, where physiological needs are considered hygienic factors and self-actualisation and esteem factors are motivational factors, Herzberg (1959) argued that hygiene factors must be present to ensure a reasonable level of satisfaction. In his study, when hygienic factors were present, it did not result in extreme satisfaction. However, when they were absent, they became a source of extreme dissatisfaction. Hygiene factors can be, for example, salary, job security, physical work environment and relationship with co-workers. If these factors are absent, then it can lead to employee's extreme dissatisfaction (as cited in Sims, 2002, pp 59-60).

Motivational factors (satisfiers) directly motivate people to work harder and relate to the actual job. Motivational factors need to be controlled and communicated with employees to determine what demotivates them, understand the situation, and find out how to solve problems. Motivational factors include achievements, recognition, promotion, growth, responsibility, and work (Sims, 2002, pp.59-60). According to Tesavrita and Suryadi (2012, p.300), even if organisations have models to increase satisfaction, they should still find ways to eliminate dissatisfiers to promote general job satisfaction.

2.3.3 McClelland's Theory of Needs

David McClelland (1953, cited in Royle and Hall, 2012) studied various individuals' needs, and he classified them by people's driving needs: achievement, power, and affiliation needs. His study revealed that each person tends to be motivated by one of those needs more than others and strongly influences a person's behaviour and performance (Royle and Hall, 2012).

The need for achievement is an intrinsic desire (McClelland, 1961, cited in Lynn, 2000, p.4) that people who have an ardent desire to excel in something exhibit. People with a high need of achievement like challenges that require high skill levels but before accepting the challenge, they want to calculate the risks because they do not like to leave their success to luck and prefer not to fail (Royle and Hall, 2012). People with high achievement need to become more likely entrepreneurs because of their ability to set and commit to their individual goals (Jha, 2010). At the workplace, achievers' managers

should provide them with challenging tasks with attainable goals and provide them with frequent feedback so that they would know how they are doing (Royle and Hall, 2012).

People with a high need for power often desire to influence, coach, teach and encourage others to achieve more. They have a low need for affiliation, and they are assertive. They do not seek others approval and recognition (Jha, 2010). McClelland studies revealed two types of people with the need for power: people with a personal need for power and people with an institutional need for power (McClelland and Burnham, 2003).

Those with a high need for personal power are effective managers, they know how to create good team spirit, but they do not have strong discipline, and if they quit their job, chaos tends to follow because employees are more loyal to them than to an institution (McClelland and Burnham, 2003).

People with high institutional power are the most effective type of managers. They are good at influencing and aligning employees with organisational goals, which gives employees a sense of organisational clarity and team spirit (McClelland and Burnham, 2003).

People with the need for affiliation desire to maintain positive and significant relationships. They are extroverts who tend to be enthusiastic, warm, and friendly (Jha, 2010). They do not like to compete with others (Royle and Hall, 2012), and they prefer to be part of different social groups and feel the need to be liked by others. They are not the best managers because they have difficulties making tough decisions, but they are good group leaders (Jha, 2010).

2.3.4 Similarities between Maslow, McClelland, and Herzberg Motivation Theories

While all these theories approached motivation from a distinct perspective, they all had similar conclusions - when higher-order needs are not fulfilled, employees are not motivated, and people are most productive and valuable when they achieve self-actualisation. Managers and leaders should understand these theories as they accompany each other (Sims, 2002). As illustrated in Figure 3, Maslow's Theory helps to explain people's needs and satisfaction. Herzberg's Theory explains motivators such

as achievement, recognition, and opportunity for growth (Osemeke and Adegboyega, 2017), and McClelland focuses on explaining how to achieve motivation (Pardee, 1990, p.11).

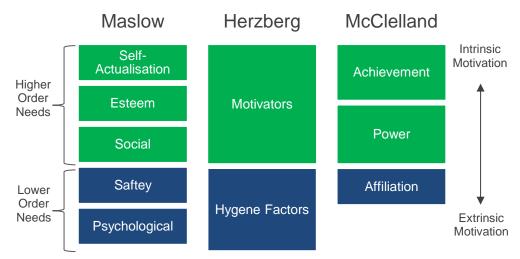


Figure 3. Comparison of Maslow, Herzberg, and McClelland theories (Sims, 2002, p.61).

2.4 Employee engagement

An organisation's success is not defined only by understanding its employees' motivational factors but also by understanding how engaged and committed employees are to the organisation.

The construct of employee engagement includes over 50 variations of engagement, such as work engagement, personal engagement, job engagement (MacLeod and Clark, 2009 cited in Truss et al., 2014, p.3). The word engagement can be defined as the personal expression of self-role, and in the organisational context, engagement can be defined as "if a person is engaged with the work, then they are willing to invest their energy to the job" (Kahn, 1990 cited in Truss et al., 2014, p.3).

Engaged employees are the most significant competitive advantage that organisations have (Vance, 2006, p.1). Committed employees are more likely to use discretionary effort to fulfil organisational goals and have better business outcomes (Kruse, 2012). According to Welch (2015), no matter the size, for an organisation to be successful,

employees need to be energised and believe in its mission and understand how to achieve it.

According to Vance (2006, p.7), organisations can influence their business results by assuring employees engagement and commitment to the organisation. As shown in Figure 4, employees work engagement and commitment start with the employer practices. These practices include job and task design, recruitment, training, performance management, compensation, and career development. Through work practices, employers can impact employees job performance and engagement. If an employee is engaged and committed to the job, then job performance and business results increase.

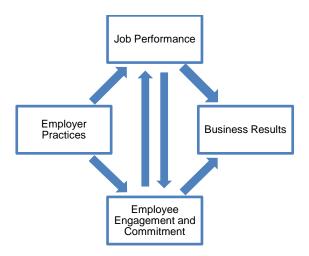


Figure 4. Employer practices influence business results (Vance, 2006, p.7).

To increase employee engagement Sinclair (2020) suggests using the following ten key elements:

- Make employees part of an organisational change.
- Get employees to promote the organisation through a genuine belief.
- Challenge employees with new tasks and encourage them to think creatively.
- Promote relationships among colleagues.
- Make internal communication flow.
- Make employees want to stay in the organisation.

- Recognise employees.
- Make leadership visible.

To understand how engaged employees are with their job, organisations should conduct a survey among their employees. It is important to differentiate two types of surveys that organisations conduct - employee satisfaction and employee engagement surveys. According to Kruse (2012), employee satisfaction surveys aim to understand employee satisfaction with their work, while employee engagement surveys seek to understand how engaged employees are with their job. Employee engagement surveys depend on the organisation, and they should be adapted and personalised depending on the organisation's needs (Sinclair, 2020). Welch (2015) advises organisations to conduct employee engagement surveys at least once a year through anonymous surveys to ensure that employees are truthful.

3 Research methodology

In this section, the methods that have been applied will be presented, along with the strategy for the research and an explanation of how the survey was conducted and discusses the limitations that might have impacted the research.

3.1 Research strategy

The purpose of this research was to conduct a study in a small Finnish non-profit organisation to understand what its employees' main motivational factors are and how engaged its employees are with their work. As this type of survey had never been conducted in the selected organisation before, this research was designed to be more exploratory. The exploratory research method is used to find trends and identify issues that need to be further studied (Leek, 2015, p.5). This research's results were shared with the organisation's managers to help them understand their employee's main motivation factors and recognise how engaged their employees are with their work. By knowing these factors, managers can make better-informed decisions when they aim to increase their employee's motivation and or want to make a change in the organisation.

One of the first steps in doing research is to decide how data is to be collected (Bryman and Bell, 2011, p.90). When deciding on what kind of strategy to use for this research, it was clear that the best approach was to use quantitative research methods due to the organisations' size where the study was conducted. Quantitative research results are presented in numbers through statistical analysis and evaluated using existing theories (Patten and Newhart, 2018, p.68). While this research method is often used on large samples to objectify, standardise, and generalise answers, it is also used to protect the respondents' anonymity (Patten and Newhart, 2018, p.71). Protecting respondents and the organisations' anonymity was one of the main factors considered when designing this study. As the non-profit organisation where the research was conducted wanted to protect their anonymity, they are referred to as "Organisation X." in this case study. Also, because the organisations' population is small, it was essential to protect respondents' identity. While the qualitative study may have given more in-depth data to understand the reasons behind the organisation's motivational phenomena, it would have made it easier to identify respondents. Additionally, by using quantitative research methods, it was more likely that respondents were more honest in their responses if their anonymity was assured (Morrel-Samuels, 2002), and therefore, it helped increase the response rate and data validity.

3.2 Research design

A research design's function is to ensure that the evidence obtained allows to effectively solve the research problem (Hassan, 1995 cited in Jongbo, 2014, p.87). As most studies are focused on large organisations, the author of this study wanted to research a smaller organisation. The research was designed in collaboration with Organisation X to ensure that it focused on the essential issues at the organisation.

This research was designed to answer the following research questions:

- What are the main motivating factors in the Finnish non-profit organisation?
- How engaged are Finnish non-profit organisation employees with their work?

3.3 Sample selection

The survey sample size included only those employees at Organisation X, who at the time when the survey was conducted had a permanent work contract. That sample represented 82% of Organisation X's total population. At the time, the rest of the organisation's employees had a temporary work contract and had worked in the organisation for less than two months. It would have been possible to include temporary contract workers in the study by distributing questionnaires where employees could have identified whether they were permanent or temporary employees and then compare two samples. This approach was not selected for this study because there would have been only two employees in that sample, and based on the data, it could have been possible to identify their identities. Additionally, those responses reliability and validity would have been uncertain.

3.4 Survey design

The questionnaire consisted of multiple-choice questions and was divided into two parts: motivational factors and employee engagement.

The questionnaire had a total of 27 statements which respondents had to rate on a Likert scale (1 - "Never", 2 - "Rarely", 3 - "Sometimes", 4 - "Often", 5 - "Always"). The questionnaire was the same for all employees. The questionnaire is disclosed in Appendix 1.

3.5 Data collection

Data was collected between 16 March 2021 and 19 March 2021 by using the online SurveyMonkey platform. On 16 March, before distributing questionnaires, the organisation's employees were given an overview of the research at the organisation's weekly meeting.

After the raw data was collected, it was compiled and organised into one easily accessible data format before being analysed. During tidying, data were not combined or changed (Leek, 2015, p.10).

3.6 Reliability and validity

According to Bryman and Bell (2011, pp.41-42), terms validity and reliability are commonly used criteria in assessing quantitative research quality. Validity looks at the integrity of the findings that the research presents, while reliability considers if the research results are repeatable. Internal validity defines how much the observed findings represent the population's truth, and external validity defines if the findings can be used to generalise a broader population (Bryman and Bell, 2011, pp.395).

The research's internal validity is high as the questionnaire response rate was 88,9% of the sample size, representing 82% of the organisation's population. While the survey respondents did not represent the whole organisation, its results can generalise the Organisation X population. As the study involved only one organisation and its population and sample size were small, the research's external validity is low. The survey results can only be replicated if the study is conducted again in the same organisation using the same sample size.

The reliability of the survey was assured by making the survey wholly anonymous and by selecting a sample that included only employees who, at the time when the survey was conducted, had a permanent work contract at Organisation X. Having a temporary work contract could have affected respondents' attitudes towards certain motivation factors such as the importance of salary and job security. The questionnaire was sent via email directly to the organisation's sample to avoid the online survey link ending in the wrong hands.

An overview of the study and the questionnaire was given to Organisation X managers to increase questionnaires reliability before distributing the questionnaire and to ensure that it meets the organisation's standards and address intended research questions. Questionnaire questions were selected based on the careful analysis of the research questions, available literature and were selected based on consultation with the

organisation's managers. To further improve the survey's reliability, a similar study conducted by Ujčić (2015) was used as the questionnaire's base and was modified according to research questions and organisational needs.

3.7 Overview of the Organisation X

The organisation where the survey was conducted was a small Finnish non-profit organisation based in Helsinki. Organisation X operates in the field of education, and it collaborates with various Finnish and international higher educational institutions. The organisation actively organises and participates in various training events in Finland and abroad.

Three-fourth of the organisation's core funding comes from the partners in Finland and its donors. Fourth of its funding comes from international partners.

3.7.1 Employees at the Organisation X

Organisation X has eleven employees. Nine employees have permanent work contracts, and two have temporary contracts.

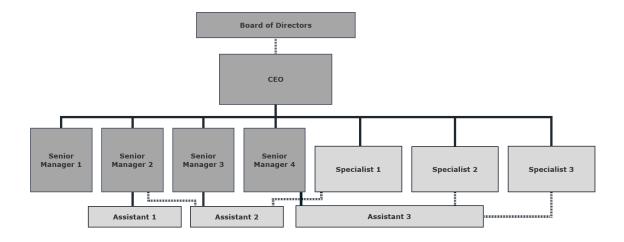


Figure 5. Organisation X organisational chart.

As illustrated in Figure 5, the organisation employees include the CEO, four senior managers, three specialists and three assistants. As the organisation is small, assistants

work simultaneously with multiple specialists/senior managers. Also, it is important to note that senior managers have a dual role – specialist and managers role.

4 Research analysis

This chapter focuses on the analysis of the research. The research objective was to collect data, analyse it and derive conclusions concerning the motivational factors and employee engagement at Organisation X.

The questionnaire had a high response rate: 88,9% of the sample size responded to the survey, representing 73% of Organisation X's population. The questionnaire was distributed only among those employees who had a permanent work contract at the organisation. The sample size included all employee levels at the organisation: CEO, senior managers, specialists, and assistants.

4.1 Part 1 – Findings of the motivation factors

Part 1 of the questionnaire asked respondents to rank different motivation factors on the Likert Scale of 1 – "Never", 2 – "Rarely", 3 – "Sometimes", 4- "Often" and 5 – "Always" based on how important they were for respondents in their professional life. Based on Maslow's Hierarchy of Needs Theory and Herzberg's Two-Factor Theory, those motivation factors can be divided into extrinsic motivation factors (lower-order needs/hygiene factors) and intrinsic motivation factors (higher-order needs).

4.1.1 Extrinsic motivation factors

Extrinsic motivation factors, also known as hygienic factors, can be influenced by external rewards (Cherry, 2020). Part 1 of the questionnaire included the following extrinsic motivation factors: salary, other financial bonuses, job security, fringe benefits and employee rights.

Based on respondents weighted average rating (Table 4), the most important extrinsic motivation factor at Organisation X was job security. As shown in Figure 6, 62,5% of respondents said that job security is always important, and 37,5% said that it is often an important motivation factor for them in their professional life.

Table 4. Average rating of the extrinsic motivation factors at the organisation.

PART 1 - Extrinsic motivation factors	Weighted average rating
Job security	4,625
Employee's rights	4,25
Salary	3,75
Fringe "non-monetary" benefits	3,25
Other financial bonuses	3,125
MEAN:	3,8

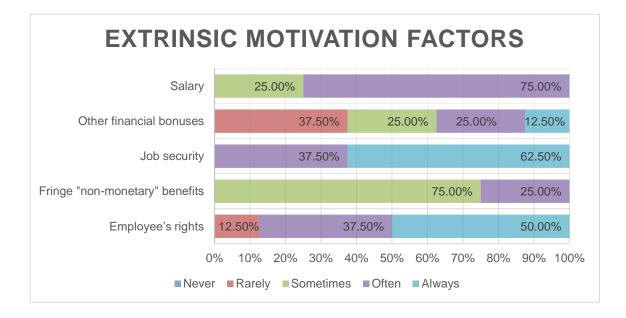


Figure 6. Extrinsic motivation factors at Organisation X.

The second highest-rated motivation factor (Table 4) was employee rights. Half of the respondents said it is always an important motivation factor for them, 37,5% of respondents said it was often important, and 12,5% of respondents said it was rarely an important motivation factor for them.

The third most important extrinsic motivation factor for respondents was salary (Table 4). As shown in Figure 6, 75% of respondents said salary was often an important motivating factor, and 25% said it was sometimes an important motivation factor.

Fringe benefits were often an important motivation factor for 25% of respondents and sometimes important for 75% (Figure 6).

The least motivating extrinsic benefits (see Table 4) for Organisation X employees were other financial benefits. They were always an important motivation factor for 12,5% of respondents, often important for 25%, sometimes important for 25% and rarely important motivation factor for 37,5% of respondents (Figure 6).

4.1.2 Intrinsic motivation factors

Intrinsic motivation factors are factors that come from within a person. Employees who are internally motivated are more engaged with their work (Kukreja, 2020). Part 1 of the survey included the following intrinsic motivation factors: empowerment, work recognition, social bonds, self-actualisation, professional networks, personal achievement, an opportunity for growth, mentoring/coaching, job characteristics and freedom of creativity.

Based on respondents weighted average rating (Table 5), the most important intrinsic motivation factor was job characteristics. It was always an important motivation factor for 62,5% of the respondents and often important for 37,5% of respondents in their professional life (Figure 7).

Table 5. Average rating of the intrinsic motivation factors at the organisation.

PART 1 - Intrinsic motivation factors	Weighted average rating
Job characteristics	4,625
Social bonds (with colleagues)	4,375
Opportunity for growth	4,375
Self-actualisation (realisation of your potential and the full development of your abilities)	4,25
Work recognition (acknowledgement and appreciation for your contributions)	4,125

Empowerment	4
Freedom of creativity	4
Personal achievement	4
Professional network	3,75
Mentoring/Coaching	3,375
MEAN:	4,09

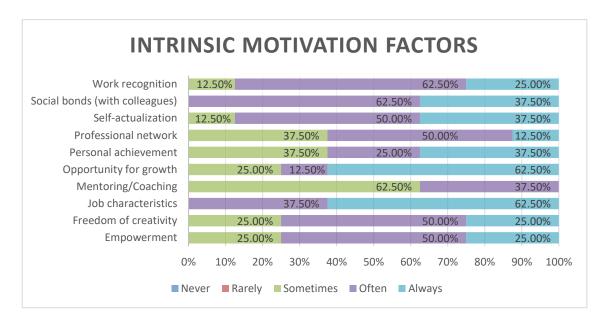


Figure 7. Intrinsic motivation factors at Organisation X.

Equally important intrinsic motivation factors for the Organisation X employees were social bonds (average rating 4,375) and opportunity for growth (see Table 5). However, as shown in Figure 7, the opportunity for growth was always an important motivation factor for 62,5% of respondents. In contrast, social bonds were always important for 37,5%. Social bonds were often important for 62,5%, and opportunity for growth was often important for 12,5% and sometimes an important motivation factor for 25% of respondents.

The fourth most important motivation factor was self-actualisation (see Table 5), which was always important for 37,5% of respondents, often important for half of the respondents and sometimes important motivation factor for 12,5% of respondents (Figure 7).

As shown in Figure 7, work recognition was an always important motivation factor for 25% of respondents, often important for 62,5% and sometimes important for 12,5% of respondents.

As seen in Table 5, personal achievement, freedom of creativity and empowerment were equally important motivation factors. Based on responses (Figure 7), the personal achievement was always an important motivation factor for 37,5% of respondents, while freedom of creativity and empowerment was always important for 25% of respondents. A personal achievement was often important for 25% of respondents and sometimes important for 37,5% of respondents. Freedom of creativity and empowerment were often important for half of the respondents and sometimes important for a quarter of respondents.

As seen in Figure 7, the professional network was always an important motivation factor for 12,5% of respondents, often important for half of the respondents and sometimes important for 37,5% of respondents.

Based on the weighted average rating (Table 5), the least important motivation factor was mentoring/coaching, which was often important for 37,5% of respondents and sometimes important for 62,5% of respondents (Figure 7).

4.2 Part 2 – Findings of the employee's work engagement

The purpose of part 2 of the questionnaire was to understand employee's attitudes and disposition towards the employer. Respondents had to rank different statements on the Likert Scale of 1 - "Never", 2 - "Rarely", 3 - "Sometimes", 4 - "Often", and 5 - "Always" based on their opinion.

According to the weighted average rating (Table 6, p.28), the highest-rated statement towards work engagement was that the organisation's respondents do their job as best as they can. As shown in Figure 8 (p.29), 87,5% of respondents at Organisation X said that they always do their job as best as they can, and 12,5% of respondents said they often do their work as best as they can.

The second-highest ranked statement (Table 6) was: my colleagues positively affect my willingness to work. 62,5% of respondents said that colleagues always positively affect their willingness to work, and 37,5% said their colleagues often impact their willingness (Figure 8).

Based on the average rating, as shown in Table 6, respondents equally said that their job provides them chances to grow and develop professionally, they enjoy working on projects despite not benefiting from them and accepting to work overtime when needed. However, half of the respondents said that their work always provides them chances to grow and develop professionally, while 37,5% of them said that they always enjoy working on projects despite not benefitting from them and that they accept to work overtime when needed (Figure 8).

Table 6. Employee work engagement weighted average.

PART 2 - Employee work engagement	Weighted average rating
I do my job and tasks as best I can.	4,88
My colleagues positively affect my willingness to work.	4,63
My job provides me with chances to grow and develop professionally.	4,38
I accept to work overtime (extra working hours) when needed.	4,38
I enjoy working on projects despite not personally benefitting from them.	4,38
I go to work happily.	4,25
I identify the organisation's success with my own and am happy for its success.	4,13
I find personal meaning and fulfilment in my work.	4,13
My supervisor positively affects my willingness to work.	4,13
I accept to work on weekends when needed.	3,75
I accept to work on some tasks which are not my primary work.	3,63
I accept to work on tasks and projects that are not interesting to me.	3,50
MEAN:	4,18

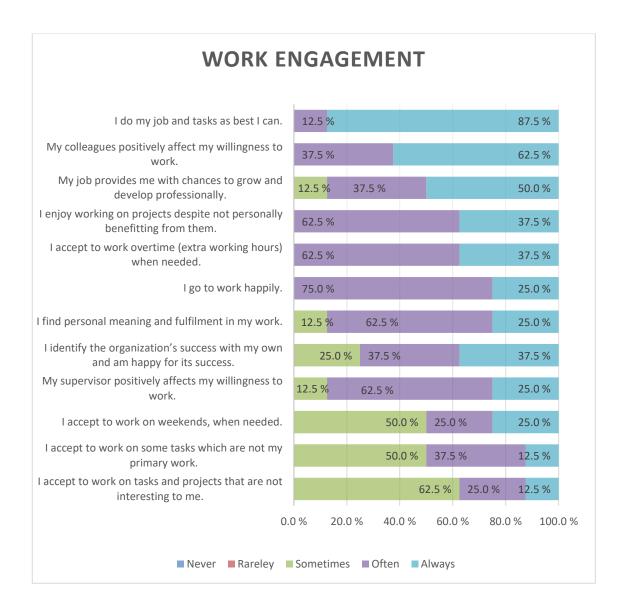


Figure 8. Respondents work engagement.

37,5% of respondents said that their job often provides them chances to grow and develop professionally, and 12,5% said that sometimes their job provides them chances to grow and develop professionally (Figure 8).

62,5% of respondents said that they often enjoy working on projects that do not benefit them and that they often accept working overtime when needed (Figure 8).

Based on average ranking (Table 6), the sixth-highest ranked statement found that fourth (25%) of respondents always go to work happily and three-fourth (75%) of employees often go to work happily (Figure 8).

Based on average rank (Table 6), 37,5% of respondents equally found that their supervisor positively affects their willingness to work, identified the organisation's success with their own and was happy for its success, and found personal meaning and fulfilment work. However, 37,5% of respondents, as shown in Figure 8, said that they always identify organisational success with their own and are happy for its success, while fourth (25%) of respondents said they always find personal meaning and fulfilment in their work and that their supervisor always positively affects their willingness to work.

62,5% said that they often find personal meaning and fulfilment in their work and that their supervisor always positively affects their willingness to work, and 12,5% of respondents said that they sometimes find personal meaning and fulfilment in their work and that their supervisor always positively affects their willingness to work (Figure 8).

37,5% of respondents often identify organisational success with their own and are happy for its success, and 25% of respondents sometimes identify organisational success with their own (Figure 8).

Half (50%) of the organisation's respondents accept to work sometimes on weekends while fourth (25%) accept to work often and fourth (25%) always on weekends (Figure 8).

Half (50%) of the respondents said that they sometimes accept to work on tasks that are not their primary work. 37,5% said that they are often willing to work on other tasks, and 12,5% of respondents said they are always willing to work on other tasks (Figure 8).

The lowest-ranked statement (Table 6) found that 12,5% of respondents are always willing to work on tasks and projects that are not interesting to them while 25% are often willing to work on those tasks and projects, and 62,5% are sometimes willing to work on tasks and projects that are not interesting for them (Figure 8).

4.3 Synthesis

What are the main motivating factors in the Finnish non-profit organisation?

Based on the weighted average rating, as shown in Table 4 (p.24) and Table 5 (p.25), the most important motivation factors at the non-profit organisation were:

- job characteristics (4,63)
- job security (4,63)
- opportunity for growth (4,38)
- social bonds (4,38).

Intrinsic motivation factors were more important factors among the non-profit organisation employees. Based on the average weighted rating, the average rate of extrinsic motivation was 3,8 (Table 4), while the average intrinsic motivation rate was 4,09 (Table 5). These results concur with Leete (2000, p.442) research conclusion that employees in the non-profit organisation have higher intrinsic motivation than extrinsic motivation.

4.3.1 Financial motivation

When we analyse the importance of financial motivation incentives out of 15 different motivation factors included in the questionnaire (Table 4 and Table 5), the salary was ranked as the 11th most important motivation factor (average rank 3,75), and other financial bonuses (average rank 3,125) was rated as the least essential motivation factor. According to Maslow's Hierarchy of Needs Theory, financial motivators are lower-order safety needs that need to be fulfilled before reaching higher-order needs (Robbins and Judge, 2013, pp.203-204). From Herzberg's Two-Factor Theory perspective, financial factors are hygienic factors that the organisation can influence, and they need to be satisfied to prevent dissatisfaction (Robbins and Judge, 2013, pp.205-207). As these factors were among the least important factors, we can assume that financial factors are not sources of employee dissatisfaction in Organisation X.

4.3.2 Maslow's Hierarchy of Needs

From the interpretation of quantitative results, as shown in Table 7, we can establish that motivation factors associated with self-actualisation were most significant among organisations employees, followed by esteem, social and safety needs. The lowest step from the original Hierarchy of Needs consists of physiological needs, which were not included in the questionnaire based on the assumption that these needs were fulfilled.

Table 7. Non-profit organisation employees' Hierarchy of Needs.

SELF-ACTUALISATION NEEDS	Weighted average rating
Opportunity for growth	4,375
Self-actualisation (realisation of your potential and the full development of your abilities)	4,25
Personal achievement	4
MEAN	4,208
ESTEEM NEEDS	
Job characteristics	4,625
Work recognition (acknowledgement and appreciation for your contributions)	4,125
Empowerment	4
Freedom of creativity	4
MEAN	4,188
SOCIAL NEEDS	
Social bonds (with colleagues)	4,375
Professional network	3,75
Mentoring/Coaching	3,375
MEAN	3,833
SAFETY NEEDS	
Job security	4,625
Employee's rights	4,25
Salary	3,75
Fringe "non-monetary" benefits	3,25
Other financial bonuses	3,125
MEAN	3,8

These results highlight that if Organisation X wants its employees to be more motivated, the focus should be on supporting employees to self-actualise by creating a healthier work environment (Cooper, 2018).

According to Cooper (2018), self-actualised company culture is a strategic decision led from the top of the organisation. To achieve this kind of culture, organisations should start by analysing their work practices, if needed, by changing the organisation's structure, thinking of ways to recognise employees, and encouraging employees to give feedback and internalise it.

4.3.3 Herzberg's Two-Factor Theory

The Two-Factor Theory focuses on the "supervision, interpersonal relations, physical working conditions, salary, company policies and administrative practices, benefits and job security" factors which Herzberg divided into satisfaction and dissatisfaction factors (Herzberg, Mausner & Snyderman 1993, p.113). In chapter 4.3.1, we analysed some of the dissatisfiers - monetary benefits, which revealed that they were among the least motivating factors. However, when we look at other dissatisfaction factors (Table 5), we can see that, unlike monetary benefits, they are essential motivation factors. The average rank for job security was 4,6, for social bonds 4,4 and employee rights 4,3.

When dissatisfaction factors are absent, they are a source of dissatisfaction, but when they are present, it means there is no satisfaction (Robbins and Judge, 2013, pp.205-207). Consequently, due to this research's nature, we cannot analyse if dissatisfaction factors are currently a source of dissatisfaction, but we can conclude that the absence of these factors can impact employees' work motivation at Organisation X.

Based on the Two-Factor Theory, satisfiers' presence results in job satisfaction (Robbins and Judge, 2013, pp.205-207). The survey included the following satisfaction factors: job characteristics, an opportunity for growth, self-actualisation, work recognition, empowerment, freedom of creativity and personal achievement. Amongst those factors, the main satisfiers, as seen in Table 5, were job characteristics (4,6), an opportunity of growth (4,4), self-actualisation (4,3) and work recognition (4,1). If the organisation aims to increase employee's work motivation, they should help individuals realise the importance of their work, set reachable goals and standards for employees, recognise employees' achievements, give employees ownership of the tasks, and offer opportunities to advance (Syptak, Marsland and Ulmer, 1999).

4.3.4 McClelland's Theory of Needs

When we analyse motivation factors from McClelland's Theory of Needs perspective, as shown in Table 8, we can see that the mean of the need for affiliation is 3,83, the need for achievement is 4,13, and the mean for the need for power is 4,32. Based on this, we can see that Organisation X employees motivation factors related to the need for power are highest, followed by the need for achievement and need for affiliation. However, it is impossible to further analyse Organisation X employees from the McClelland Theory of Needs perspective without further study.

Table 8. Motivation factors from McClelland Theory of Needs perspective.

NEED OF AFFILIATION		Weighted average rating
Social bonds (with colleagues)		4,375
Professional network		3,75
Mentoring/Coaching		3,375
	MEAN	3,83
NEED OF ACHIEVEMENT		
Opportunity for growth		4,375
Empowerment		4
Personal achievement		4
	MEAN	4,125
NEED OF POWER		
Job characteristics		4,625
Freedom of creativity		4
	MEAN	4,3125

How engaged are Finnish non-profit organisation employees in their work?

The employee engagement survey aims to identify how engaged employees are with their work and understand the degree to which employees feel passionate and willing to devote themselves to work (Wainwright, 2020). Based on the employee engagement questionnaires total weighted average rate, as shown in Table 6, Organization X employees average engagement rate was 4,18 out of 5. Therefore, it can be said that employees at Organisation X are highly engaged with their work.

Based on the highest rated statements (see Table 6), employees think that they do their job and tasks as best as they can, their colleagues positively affect their willingness to work, and they feel that their job provides an opportunity for growth and development. When needed, employees are willing to work overtime and enjoy working on projects without benefiting from them.

Organisation X employees were least willing to work on tasks and projects that are not interesting for them and are least willing to work on tasks that are not their primary job.

5 Conclusion

This thesis aimed to identify the non-profit organisation employees' main motivation factors and understand how engaged employees are in their work. Based on quantitative research conducted in a small Finnish non-profit organisation, results show that the primary motivating factors are job characteristics, job security, social bonds, and opportunity for growth. As literature suggested, intrinsic motivation factors were the primary motivators.

Through Two-Factor Theory's prism, research results showed that monetary incentives were the least important dissatisfaction factors. However, job security, social bonds and employee rights were the highest-ranked dissatisfaction factors. Therefore, for employees to feel motivated, they need to feel that their job is safe and they need opportunities for socialising. As the most important satisfaction factors were job characteristics, an opportunity for growth and self-actualisation, employees can be motivated by offering them job tasks that are interesting and giving growth opportunities.

When motivation factors were grouped according to Maslow's Hierarchy of Needs Theory, and the mean of the factors was calculated, then needs order was the same as the Maslow's Hierarchy where self-actualisation needs were most important, followed by esteem, social and safety needs. Therefore, for employees at organisation X to self-actualise, they need job stability, a culture based on mutual trust, achievements to be recognised and prospects for growth.

When motivation factors were analysed according to McClelland's Theory of Needs, it showed that the highest-ranked motivation factors were associated with the need for power, followed closely by the need for achievement. Motivation factors related to the need for affiliation were ranked as the least important motivation factors. As the research was quantitative, it is impossible to make further conclusions without further study.

The second part of the survey revealed that employees at the non-profit organisation were highly engaged with their work. The highest-rated employee statements revealed that respondents do their job as best as possible and that their colleagues positively affect their willingness to work. Employees are least willing to work on tasks and projects that are not interesting for them and are least willing to work on tasks that are not their primary job.

As the literature review showed, motivating employees is the organisation's strategic decision, and the motivation process is led from top-down.

5.1 Advice for the management

Based on the thesis's findings, the author recommends managers having development discussions with their employees where one of the discussion topics would be employee motivation. Development discussion should be individual and should be held in a neutral setting. The discussion aim should be to understand what individual employees' primary motivators are and think about how the organisation can motivate employees.

As job characteristics, an opportunity for growth and self-actualisation were among the highest-ranked motivation factors, it would be good to understand how satisfied employees are with their current job aspects and what would they change if they could. Also, when possible, discussing growth options within the organisation could help to boost employee motivation.

As the organisation's main motivation factors were intrinsic, it would also be beneficial to discuss with the employees what the organisational missions and goals are and explain how each individual is contributing to them. As social bonds were important motivation factors, and they positively affect employee's willingness to work, it would be good to

encourage socialisation among employees, for example, by organising employee socialising events or by starting a new tradition that would strengthen collegial bonds.

As this thesis could not determine motivation factors according to McClelland's Theory of Needs, the author of this thesis encourages management to use McClelland's Theory to determine which motivation drives individual employees. They can be driven by the need for affiliation, need for achievement or need for power. Those driven by the need for affiliation are extroverts who do not like to compete with others, but they like to be part of different social groups. They are good group leaders but do not like making tough decisions. Those who are driven by the need for achievement like challenges, but it is important that the goals of the task would be achievable. If the task challenging, it should be divided into smaller reachable tasks. Achievers also expect frequent feedback. Employees who like to influence, coach and teach others are likely motivated by the need for power. They are goal-oriented and effective negotiators. Understanding these factors makes it possible to structure managers' approach to employees and ensures that employees are engaged with their job.

Lastly, to understand how engaged employees are with their work, it is recommended to do an anonymous employee engagement survey at least once a year to capture different work-related aspects. Engagement survey results can reveal the organisational culture, employees' attitudes and detect negative trends in an organisation.

5.2 Limitations and advice for further research

This research aimed to provide helpful information to the organisation where the case study was conducted. The research findings cannot be generalised to all non-profit organisations, as there is a clear distinction between community-based organisations, faith-based organisations, and corporate organisations. Moreover, the research cannot be used as a blanket for all non-profit organisations, as it only focused on one organisation. There are many other motivation theories, but due to the bachelor thesis limitations and the nature of this study, only classical motivation theories by Maslow's Hierarchy of Needs Theory, Herzberg's Two-Factor Theory and McClelland's Theory of Needs were used.

As this study was exploratory and quantitative, it was impossible to do an in-depth analysis to understand motivation factors' phenomena without further research. For further research, the author would conduct qualitative research to understand what impacts different motivation factors.

References

Aldermore, 2018. Over two thirds of UK SME bosses face recruitment and retention difficulties. Available at: https://www.aldermore.co.uk/about-us/newsroom/2018/03/over-two-thirds-of-uk-sme-bosses-face-recruitment-and-retention-difficulties [Accessed 5 September 2020].

American Psychological Association, 2015. *Stress in America: Paying with Our Health.* [PDF] Available at: https://www.apa.org/news/press/releases/stress/2014/stress-report.pdf> [Accessed 24 March 2020].

Bernazzani, S., 2017. *Intrinsic and Extrinsic Motivation: What's the Difference?* Available at: https://blog.hubspot.com/marketing/intrinsic-and-extrinsic-motivation [Accessed 5 September 2020].

Bika, N., n.d. *Hiring process FAQ: A guide to structured recruitment*. Available at: https://resources.workable.com/tutorial/faq-hiring-process#hiring-process-costs [Accessed 5 September 2020].

Bivainienė, H., 2019. What motivated employees the most in 2019? Amston [online] Available at: https://www.amston.lt/en/blog/motivation-in-2019/ [Accessed 26 November 2020].

Bryman, A., & Bell, E., 2011. *Business Research Methods*. 3rd Edition. New York: Oxford University Press.

Candeias, V., Bernaert, A., 2017. 7 Steps to Build A Mentally Healthy Workplace. World Economic Forum [online] Available at: https://www.weforum.org/agenda/2017/04/7-steps-for-a-mentally-healthy-workplace/ [Accessed 24 March 2021].

Chen, J., 2013. Should Your Business Be Non-profit or For-Profit? Harvard Business Review. [online] Available at: https://hbr.org/2013/02/should-your-business-be-nonpro [Accessed 22 November 2020].

Cherry, K., 2020. *Extrinsic Motivation*. [online] Available at: https://www.verywellmind.com/what-is-extrinsic-motivation-2795164 [Accessed 27 March 2021]

Chron, 2020. *How to Satisfy Employee Needs*. Small Business - Chron.com Available at: http://smallbusiness.chron.com/satisfy-employee-needs-11458.html [Accessed 05 September 2020].



Ciucescu, N., 2009. *The Role and Importance of Non-Profit Organisations*. [online] Available at: https://core.ac.uk/download/pdf/26906692.pdf> [Accessed 22 November 2020].

Clark, R.E., Saxberg, B., 2019. *4 Reasons Good Employees Lose Their Motivation*. Harvard Business Review. [online] Available at: https://hbr.org/2019/03/4-reasons-good-employees-lose-their-motivation> [Accessed 26 November 2020].

Cooper, L., 2018. *Achieve Higher Employee Satisfaction*. [online] Available at: https://www.cmswire.com/digital-workplace/how-self-actualized-companies-achieve-higher-employee-satisfaction/> [Accessed 28 March 2021].

Eurofound, 2010. *Absence from work – Finland*. Available at: https://www.eurofound.europa.eu/publications/report/2010/absence-from-work-finland [Accessed 5 September 2020].

European Commission, 2015. *User guide to the SME Definition*. Available at: https://ec.europa.eu/growth/content/revised-user-guide-sme-definition-0_en-lacessed 05 September 2020].

European Commission, 2016. 2016 SBA Fact Sheet. Available at: https://ec.europa.eu/jrc/sites/jrcsh/files/eu28_sba_fact_sheet.pdf [Accessed 5 September 2020].

European Commission, 2019. *SME Performance Review.* Available at: https://ec.europa.eu/growth/smes/business-friendly-environment/performance-review en> [Accessed 05 September 2020].

European Union Law, 2003. *Document 32003H0361 - Commission Recommendation of 6 May 2003*. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361 [Accessed 5 September 2020].

Gerdeman, D., 2019. Forget Cash. Here Are Better Ways to Motivate Employees. Harvard Business School [online]. Available at: https://hbswk.hbs.edu/item/forget-cash-here-are-better-ways-to-motivate-employees [Accessed 24 March 2021].

Glassdoor, 2019. *How to Calculate Cost-Per-Hire*. Available at: https://www.glassdoor.com/employers/blog/calculate-cost-per-hire/ [Accessed 5 September 2020].

Harju, A., 2020. *A description and the contents of civil society.* Kansalaisyhteiskunta. [online] Available at:

https://www.kansalaisyhteiskunta.fi/kansalaisyhteiskunta/civil_society [Accessed 22 November 2020].



Herzberg, F., Mausner, B. and Snyderman, B.B., 1959. *The Motivation to Work.* Transaction Publishers.

Herzberg, F., Mausner, B. and Snyderman, B.B., 1993. *The Motivation to Work*. (New Ed. 12th printing) New Brunswick, N.J: Transaction Publishers.

Jha, S., 2010. *Need for Growth, Achievement, Power and Affiliation: Determinants of Psychological Empowerment.* Global Business Review, Available at: https://www.researchgate.net/publication/258137837_Need_for_Growth_Achievement_Power_and_Affiliation_Determinants_of_Psychological_Empowerment [Accessed 5 September 2020].

Johnson, C., 2017. Why is employee retention so important for SMEs? Available at: https://www.michaelpage.com.au/advice/management-advice/engagement-and-retention/why-employee-retention-so-important-smes [Accessed 05 September 2020].

Jongbo, O.C., 2014. *The Role of Research Design in A Purpose Driven Enquiry.* [PFD] Available at: https://www.arabianjbmr.com/pdfs/RPAM_VOL_3_6/8.pdf [Accessed 20 March 2021].

Kantor, J.S., 2016. *High Turnover Costs Way More Than You Think*. Available at: https://www.huffpost.com/entry/high-turnover-costs-way-more-than-you-think_b_9197238?guccounter=1 [Accessed 05 September 2020].

Kremer, W., Hammond, C., 2013. *Abraham Maslow and the pyramid that beguiled business*. Available at: https://www.bbc.com/news/magazine-23902918> [Accessed 05 September 2020].

Kroth, M., 2007. *Maslow—Move Aside! A Heuristical Motivation Model for Leaders in Career and Technical Education*. [PDF] Available at: https://scholar.lib.vt.edu/ejournals/JITE/v44n2/pdf/kroth.pdf [Accessed 5 September 2020].

Kruse, K., 2012. What Is Employee Engagement. [online] Available at: https://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/ [Accessed 13 March 2021].

Kukreja, S., 2020. What is Motivation? [online] Available at: https://www.managementstudyhq.com/what-is-motivation.html [Accessed 22 November 2020].

Lauby, S. J., 2005. *Motivating Employees*. ASTD Press [ebook] Available at: https://books.google.fi/books?id=LKd2DOKd1EYC [Accessed 3 April 2021].

Leek, J., 2015. *The Elements of Data Analytic Style*. Leanpub [PDF] Available at: https://worldpece.org/sites/default/files/datastyle.pdf [Accessed 17 February 2021].



Leete, L., 2000. Wage equity and employee motivation in non-profit and for-profit organisations. [PDF] Available at:

https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.398.8833&rep=rep1&type=pdf> [Accessed 26 November 2020].

Leonard, K., 2019. *Consequences of No Employee Motivation*. [online] Available at: https://smallbusiness.chron.com/consequences-employee-motivation-41238.html [Accessed 27 March 2021].

Lynn, M., 2000. *National Character and Tipping Customs: The Needs for Achievement, Affiliation and Power as Predictors of the Prevalence of Tipping.* [PDF] Available at: https://core.ac.uk/download/pdf/145015864.pdf> [Last Accessed 2 April 2021].

Maehr, M.L., Pintrich, P.R., 1997. *Advances in Motivation and Achievement.* Emerald Group Publishing Limited.

McClelland, D., Burnham, D.H., 2003. *Power Is the Great Motivator*. Harvard Business Review, Available at: https://hbr.org/2003/01/power-is-the-great-motivator [Accessed 5 September 2020].

Mental Health America, 2017. *Mind the Workplace*. [PDF] Available at: https://mhanational.org/sites/default/files/Mind%20the%20Workplace%20-%20MHA%20Workplace%20Health%20Survey%202017%20FINAL.PDF">https://mhanational.org/sites/default/files/Mind%20the%20Workplace%20-%20MHA%20Workplace%20Health%20Survey%202017%20FINAL.PDF [Accessed 27 March 2021].

Meyer, J. P., Becker, T.E., Vandenberghe, C., 2005. *Employee Commitment and Motivation: A Conceptual Analysis and Integrative Model.* [online] Available at: https://www.researchgate.net/publication/8142799_Employee_Commitment_and_Motivation_A_Conceptual_Analysis_and_Integrative_Model [Accessed 22 November 2020].

Mills, A. J., Mills J. C. H., Forshaw, C., Bratton, J., 2007. *Organisational Behaviour in a Global Context*. Broadview Press.

Morrel-Samuels, P., 2002. *Getting the Truth into Workplace Surveys*. Harvard Business Review. [online] Available at: https://hbr.org/2002/02/getting-the-truth-into-workplace-surveys [Accessed 14 March 2021].

Myers, S., 1964. Who Are Your Motivated Workers? Harvard Business Review. [online] Available at: < https://hbr.org/1964/01/who-are-your-motivated-workers> [Accessed 13 March 2021].

National Institutes for Health, ND. 5 Things You Should Know About Stress. Available at: https://www.nimh.nih.gov/health/publications/stress/index.shtml [Accessed 24 March 2021].



Norwich University Online, 2016. 7 Key Differences Between Non-profit and For-profit Organisations. Norwich University. [online] Available at: https://online.norwich.edu/academic-programs/resources/7-key-differences-between-nonprofit-and-profit-organizations [Accessed 22 November 2020].

Olkkonen, L., Quarshie, A., 2019. Corporate Social Responsibility in Finland: Origins, Characteristics, and Trends. Switzerland: Palgrave Pivot, eBook. [online] Available at: https://books.google.fi/books?id=zcOWDwAAQBAJ&pg [Accessed 22 November 2020].

Osemeke, M., Adegboyega, S., 2017. *Critical Review and Comparism between Maslow, Herzberg and McClelland's Theory of Needs.* Funai Journal of Accounting. Ionlinel Available at:

https://pdfs.semanticscholar.org/bfd5/a4841d842179c1320b6f289557e3a2656dad.pdf [Accessed 05 September 2020].

Oxford Reference, 2021. *Motivation*. Oxford University Press [online] Available at: https://www.oxfordreference.com/view/10.1093/oi/authority.20110803100212318 [Accessed 17 February 2021].

Pardee, R. L., 1990. *Motivation Theories of Maslow, Herzberg, McGregor & McClelland. A Literature Review of Selected Theories Dealing with Job Satisfaction and Motivation.* [online] Available at: https://files.eric.ed.gov/fulltext/ED316767.pdf [Accessed 14 March 2020].

Patten, M.L., Newhart, M., 2018. *Understanding Research Methods: An Overview of the Essentials*. New York: Routledge. [eBook] Available at: https://books.google.fi/books?id=YgoqDwAAQBAJ&pg [Accessed 22 November 2020].

Pritchard, R., Ashwood, A., 2008. *Managing Motivation: A Manager's Guide to Diagnosing and Improving Motivation*. New York: Routledge, 6-8. [eBook] Available at: https://books.google.fi/books?hl=en&lr=&id=LPhiV0IAMxoC&oi [Accessed 22 November 2020].

Revuelto-Taboada, L., Guerrero, R., 2012. *New Tools and New Ideas for HR Practitioners. Structural and Predictive Validity of Weighted Satisfaction Questionnaire.* [online] Available at:

<a href="https://www.researchgate.net/publication/235789498_New_tools_and_new_ideas_for_HR_practitioners_Structural_and_predictive_validity_of_weighted_satisfaction_questions on the comparison of the comparison

Robbins, S. P., Judge, TA, 2013. *Organisational Behavior*, Pearson Education, Inc.

Royle, T., Hall, A.T., 2012. The Relationship Between McClelland's Theory of Needs, Feeling Individually Accountable, and Informal Accountability for Others.



[online] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1957209 [Accessed 05 September 2020].

Shkoler, O., Kimura, T., 2020. How Does Work Motivation Impact Employees' Investment at Work and Their Job Engagement? A Moderated-Moderation Perspective Through an International Lens. Frontiers in Psychology. [online] Available at: https://www.frontiersin.org/articles/10.3389/fpsyg.2020.00038/full [Accessed 22 November 2020].

Sims, RR, 2002. Managing Organisational Behavior. Quorum Books.

Sinclair, S., 2020. What is Employee Engagement? And How Can You Improve it? [online] Available at: https://www.talkfreely.com/blog/what-is-employee-engagement [Accessed 13 March 2021].

Syptak, J.M., Marsland, D.W., Ulmer, D., 1999. *Job Satisfaction: Putting Theory Into Practice.* [online] Available at: https://www.aafp.org/fpm/1999/1000/p26 html#:~:text=Frederick%20Herzberg%20tl

https://www.aafp.org/fpm/1999/1000/p26.html#:~:text=Frederick%20Herzberg%20the orized%20that%20employee,more%20productive%2C%20creative%20and%20commit ted.> [Accessed 28 March 2021].

Tesavrita, C., Suryadi, D., 2012. *Identification of Herzberg's Motivator-Hygiene Factors for SME's Workers: Case Study of SME in Bandung, Indonesia*. [online] Available at: https://www.sciencedirect.com/science/article/pii/S2212567112003449 [Accessed 05 September 2020].

Thirulogasundaram, V.P., Sahu, PC, 2014. *Job Satisfaction and Absenteeism interface in Corporate Sector – A study*. [online] Available at:

https://pdfs.semanticscholar.org/9d68/12ebcea21d15cfae449af1f449c3a6e01705.pdf [Accessed: 05 September 2020].

Truss, C., Alfes, K., Delbridge, R., Shantz, A., Soane, E., 2014. *Employee Engagement in Theory and Practice*. Routledge. [eBook] Available at: https://books.google.fi/books?id=dU7hAQAAQBAJ&printsec=frontcover&dq=employee+engagement&hl=en&sa=X&ved=2ahUKEwjww4uBk63vAhUiplsKHWwJD9oQ6AEwA

Ujčić, B., 2015. *Motivation in Non-profit Organisations: The Case Of "Drugo More."* [online] Available at: http://www.cek.ef.uni-lj.si/magister/ujcic1839-B.pdf [Accessed 14 March 2021].

HoECAMQAg> [Accessed 13 March 2021].

Vance, R. J., 2006. *Employee Engagement and Commitment. SHRM Foundation*. [PDF] Available at: https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/documents/employee-engagement-commitment.pdf [Accessed 13 March 2021].

Wainwright, B., 2020. What is employee engagement? [online] Available at: https://www.effectory.com/knowledge/what-is-employee-engagement/ [Acccessed 3 April 2021].

Welch, J., 2015. *Three Ways to Take Your Company's Pulse*. [online] Available at: https://www.linkedin.com/pulse/three-ways-take-your-companys-pulse-jack-welch/ [Accessed 13 March 2021].

World Health Organization, n.d. *Mental health in the workplace*. Available at: https://www.who.int/teams/mental-health-and-substance-use/mental-health-in-the-workplace [Accessed 24 March 2021].

Questionnaire



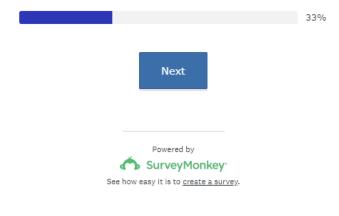
This survey is only for employees who have a permanent work contract.

Your responses are anonymous and will be used in Metropolia University of Applied Sciences International Business and Logistics degree program thesis that studies employee motivation.

Please respond latest by Friday, March 19, 2021!

Thank you.

Mihkel Vaim Student of International Business and Logistics Metropolia University of Applied Sciences mihkelv@metropolia.fi



Privacy & Cookie Policy





Motivational Factors

* Please rate the following motivation factors.

In your opinion, how important are these factors in motivating you in your professional life?

	Never	Rarely	Sometimes	Often	Always
Salary	0		0	0	0
Other financial bonuses	\bigcirc	\circ	\bigcirc	\bigcirc	\bigcirc
Job characteristics	0		0		0
Job security	\bigcirc	\circ	\circ	\circ	\circ
Social bonds (with colleagues)	0	0	0	0	0
Employee's rights	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
Fringe "non- monetary" benefits	0	0	0	0	0
Work recognition (acknowledgment and appreciation for your contributions)	\circ	\circ	\circ	\circ	\circ
Mentoring/Coaching	0	0		0	0
Empowerment	\bigcirc	\bigcirc	\bigcirc	\circ	\circ
Professional network	0	0	0	0	0
Freedom of creativity	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
Opportunity for growth	0	0	0	0	0
Personal achievement	\bigcirc	\bigcirc	\bigcirc	\bigcirc	\bigcirc
Self-actualization (realization of your potential and the full development of your abilities)	•	•	•	•	•

Next



Work engagement

 $\ensuremath{\bigstar}$ From your opinion, please rate the following statements.

	Never	Rarely	Sometimes	Often	Always
I go to work happily.	0	0	0	0	0
My colleagues positively affect my willingness to work.	0	0	0	0	0
My supervisor positively affects my willingness to work.	•	0	0	0	0
I accept to work overtime (extra working hours) when needed.	0	0	0	0	0
I accept to work on weekends, when needed.	0	•	0	0	0
I accept to work on some tasks which are not my primary work.	0	0	0	0	0
I accept to work on tasks and projects that are not interesting to me.	0	0	•	0	•
I do my job and tasks as best I can.	0	0	0	0	0
I identify the organization's success with my own and am happy for its success.	•	•	•	•	•
I enjoy working on projects despite not personally benefitting from them.	0	0	0	0	0
I find personal meaning and fulfilment in my work.	0	0	0	0	0
My job provides me with chances to grow and develop professionally.	0	0	0	0	0
				100%	
		Prev	Done		

