Improving performance and reward management in a non-profit organization

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Abstract

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In this master's thesis the author investigates how to improve the performance management of the commissioning organization by clarifying the current performance management and the goal setting processes, and how to develop reward management by creating a framework of concrete suggestions that could be used to implement a reward strategy and a reward model. In order to create an effective reward strategy and a reward model, the author pursued to understand what is experienced as rewarding and meaningful within a non-profit organization, and what motivates the commissioning organization's employees.

Theoretical framework of this thesis consists of performance management theory and reward management theory. Empirical research was conducted as an action research, and workshop and survey methods were used for data collection. The data was collected in the commissioning organization during 2021.

The goal setting process was clarified in a joint workshop and based on the results, the employees could better understand how their performance goals were set after participating in the workshop and one-on-one discussions with their manager. A survey was conducted in order to understand how the employees understood the total rewards offering in the commissioning organization, what was perceived as meaningful within the current total rewards bundle and what new methods of rewarding would be experienced as rewarding and meaningful. Based on the survey's responses, feedback was the most important method of recognition for the employees and the employees of the commissioning organization valued intangible methods of rewards highly. Additionally, new reward methods should be further assessed before implementing a new reward model. Lastly, performance assessment process and methods should be further developed in order to effectively reward employees based on their performance.

| **Keywords** |
| Performance management, Reward management, Non-profit organization |

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1   Introduction

The purpose of this master's thesis is to clarify the current performance management processes in the commissioning organization and further strengthen the goal setting process, and to create a framework of concrete suggestions that could be used to implement a reward strategy and a reward model. In order to create an effective reward strategy and a reward model, the author pursued to understand what is experienced as rewarding and meaningful within the organization, and what motivates the commissioning organization's employees.

The author was requested by We Foundation to investigate how the current performance management process related to goal setting could be complemented with a reward model. During the time period when this thesis research was conducted, the commissioning organization had no reward strategy in place for rewarding and recognizing employees for reaching goals as a part of the performance management process.

The commissioning organization for this thesis research is We Foundation. We Foundation is a foundation founded by Ilkka Paananen and Mikko Kodisoja in 2015 to diminish social exclusion and promote equality between children, youth, and families. The goal of the foundation is to provide children and young people equal opportunities for a good life, regardless of family background or other factors. When this master's thesis project was conducted, We Foundation had 6-10 employees with strategic objective to expand the operations and headcount growth in the future. We Foundation's workforce consists of professionals with educational and professional background in educational, economic and political sciences and social services.

We Foundation believes that exclusion from the society is prevented by ensuring that everyone, regardless of their background, could actively work together as a member of an open and common community. We Foundation aims to solve the exclusion phenomenon through preventive work, producing, promoting, and ensuring protective factors and activities for children, young people, and their families. Since 2016, the foundation has launched open community spaces for children, youth, and families with children in various parts of Finland. By working together with local communities, We Foundation ensures that communities have access to services and facilities that meet their needs. In 2020, the We Foundation's own community house, Meltsi, was opened. (We Foundation 2021)

Meltsi serves as an open meeting place for children and their families in Mellunmäki, Helsinki. Meltsi offers programs free of charge: guided parenting activities, hobby groups for primary school children, and activities organized by community volunteers. All families with children in the area are

welcome to take part in the activities, but the core target group includes those families that are be-lieved to benefit the most from community activities or long-term hobbies. (Meltsi 2021)

During the time period this thesis research was conducted the foundation was not awarding individ-ual grants or project funding but worked with strategic partners to further develop technology and standards that make it possible to monitor impact and effectiveness of anti-exclusion activities. (We Foundation 2021)

We Foundation utilizes technology to support its anti-exclusion work and understanding, measur-ing, and verifying the impact of the work. With the help of data and technology, the foundation aims to identify those who needs the support most and ensure that the activities can be targeted directly to those in need. We Foundation also provides tools and metrics for third sector actors who want to reach the children and families who are at increased risk of being excluded from society. As a solu-tion to measure the effectiveness of social activities and services, We Foundation has developed a tool called Wonderhub, which enables the monitoring, verification, and auditing of the effectiveness of the activities of various organizations. This tool provides organizations' data for their develop-ment and, for example, for funding and grant decisions. The game and technology studio Wonder-shop Oy, which was founded in 2020, will continue to further develop the technology of the Won-derhub tool as the We Foundation works to promote definitions and standardization of impact as-sessment. The Wonderhub technology is constantly being developed together with the We House Meltsi's team to ensure that the data collected supports Meltsi's operational work. (We Foundation 2021)

2   Outcomes

In this master's thesis the author aims to examine how to improve the existing performance management process, and how to develop a reward strategy and a reward model in the commissioning organization. During the thesis research the author studies how employees in the commissioning organization currently understand the goal setting process in the organization and how the employees understand their total rewarding and, what motivates employees to reach the strategic goals that have been defined for them as a part of the performance management processes.

2.1   Research questions

Research questions create the purpose and scope for the research and by defining research questions the researcher can choose the most appropriate research method for the research. Defining research questions also support in determining the data collection methods for the research.

The research questions for this thesis research are following:

RQ1: How employees understand the goal setting for their work?

RQ2: What is the current perception on rewarding and total rewards among the commissioning organization's employees?

RQ3: What kind of recognition and reward methods are experienced meaningful and rewarding among the commissioning organization's employees?

A workshop was carried out in the commissioning organization to form an answer for research question 1, while for research questions 2 and 3 a survey was conducted. These methods are further explained in the sub-chapters 5.3 and 5.4 in the report.

2.2   Scope

The objective of the project is to engage employees in the organization's new strategy, from which measurable strategic goals and personal development goals will be derived for the employees. Developing a reward strategy and reward system aims to support the existing performance management processes, to lead employees to work in a more structured way, and to ensure that the team understands what kind of performance is expected of them and their work.

In this thesis, the concepts of performance management and reward management are introduced as framework for development.

This thesis research studies how employees understand the goal setting process in the commissioning organization and what employees in the commissioning organization find motivating. Furthermore, this thesis investigates if the total rewards offering defined by the organization is experienced as rewarding and meaningful among the employees. The research was conducted as an action research and as a data collection method a workshop and questionnaire survey were used.

The outcome of this thesis research is to strengthen and clarify the existing performance management and goal setting process in the commissioning organization and understand what motivates the employees in order to create a framework for strategic rewarding. However, the outcome of this thesis is not to create a reward model that would be introduced directly as such in the commissioning organization but merely to give suggestions for next steps and recommendations for implementation.

2.3 Structure of the research

This thesis research includes theoretical and empirical parts. The thesis structure is described in the figure below (Figure 1).

Figure 1. Thesis structure

In the first part of the thesis, the author describes the research topic, the background for the thesis and expected outcomes in the chapters 1-2. In the second part of the thesis the theoretical

framework and key concepts for this thesis research are described. This has been included in the chapters 3 "Performance management" and 4 "Reward management".

The empirical part of the research project is described in the chapters 5 and 6. The chosen research strategy and methodology used for this thesis research are included in the chapter 5, whereas in the chapter 6 these choices and theoretical framework are implemented in the commissioning organization's project. In the chapter 6 the project and its different phases are described, that consists of four main themes that illustrated in the figure 2.

Phase 1
•Initial discussions with managers

Phase 2
•Creating clarity on performance management and rewarding
•Method: Workshop

Phase 3
•Creating reward strategy for the organization and investigating what motivates employees
•Method: Survey

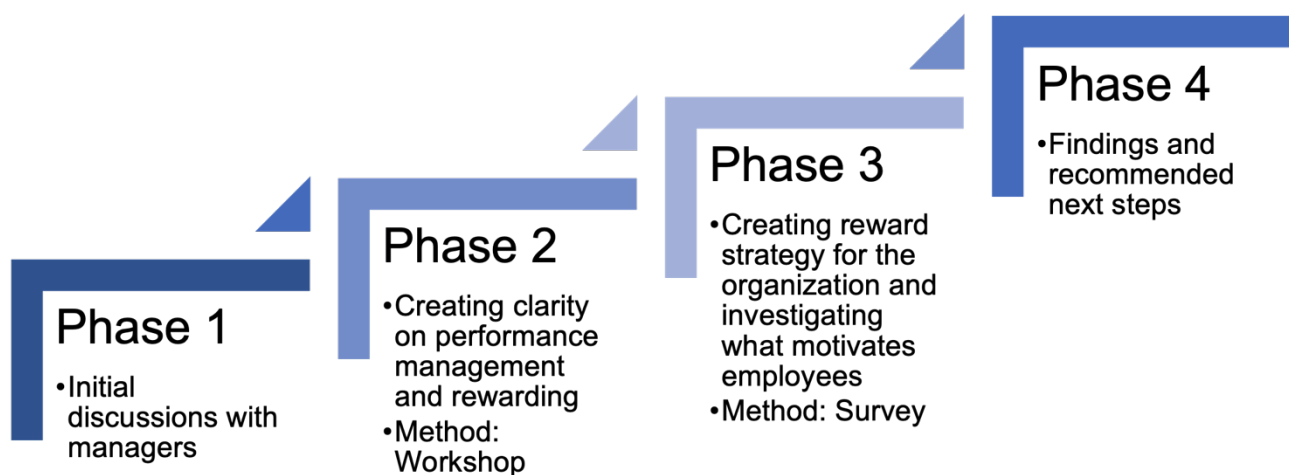**Phase 4**
•Findings and recommended next steps

Figure 2. Research project phases

In the final chapter of the report the author gives suggestions for creating a model for rewarding and for next steps, as well as reflection on the thesis research.

3   Performance management

The first part of this chapter discusses the concepts of performance management process and performance management in non-profits. Then the concept of goal setting as a part of performance management is introduced. Lastly, the concept of assessing performance and goal achievement is presented.

3.1   Performance management process

Performance management in organizations refers to operating models that ensure that employees understand the organization's strategic targets and key activities to reach these objectives, how the performance evaluation processes work, and that employees understand what is measured and expected of them, and what kind of expertise is needed in the organization. (Kauhanen 2015, 68.) Performance management is an organizational development process, and the performance management models may vary between organizations. Essentially the idea of the process is that it is a tool to clarify the strategic and individual goals of the organization for the near future, which helps to navigate in the midst of ambiguity. (Armstrong 2015, 82.)

Organization's business targets & strategic goals

PERFORMANCE PLANNING
- Role specific performance planning
- Individual career and development
- Setting goals

PERFORMANCE EVALUATION
- Review on performance and goals
- Continuous feedback and dialogue, coaching

PERFORMANCE ACTIVITIES
- Implementing performance and development plan
- Activities to achieve goals

PERFORMANCE MANAGEMENT
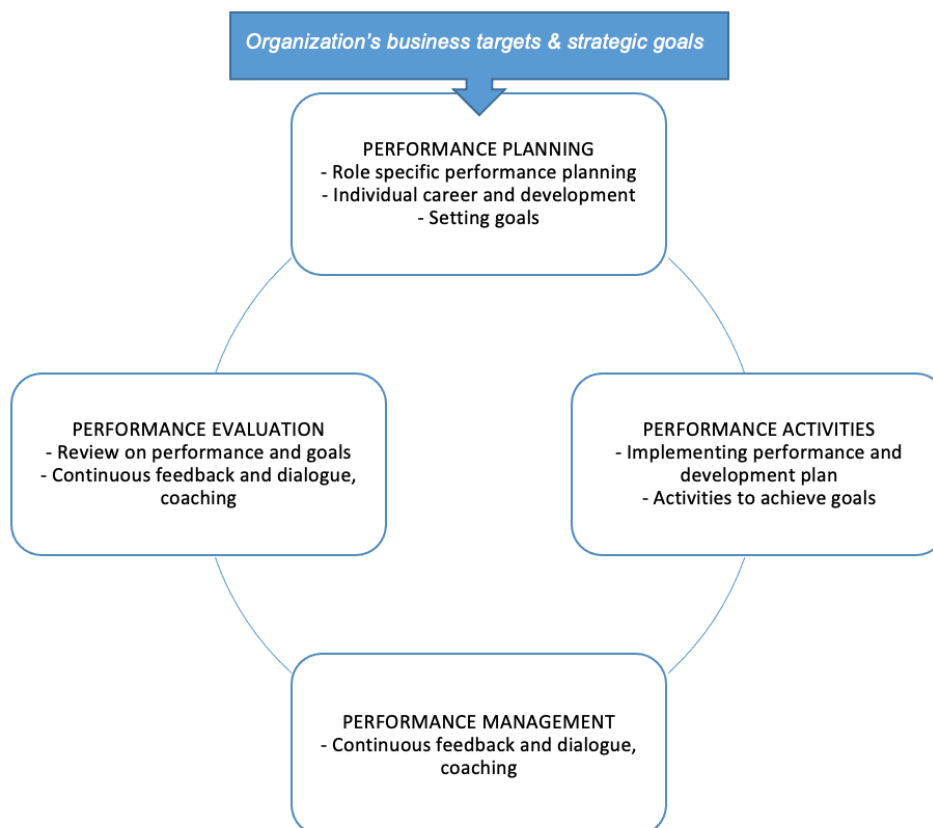- Continuous feedback and dialogue, coaching

Figure 3. Performance management process (adapted from Armstrong 2020, 142)

Purpose of the performance management processes is to improve performance and create a culture of continuous development within the organization. It combines employee competence development and career development aspirations, and organization's strategic goals. (Kauhanen 2015, 69.) According to Armstrong & Murlis, there are four core elements included in performance management processes:

- planning and measuring performance against set goals
- coaching for improving performance
- feedback dialogue
- reward and recognition (Armstrong & Murlis 2007, 258)

Additionally, the process can be used to strengthen leadership and improved performance within the organization through coaching and feedback. Performance management can also support creating an organizational culture in which the employee competence development is continuous, and thus the company's existing expertise can also be developed for future needs. Through performance management processes and setting goals to measure performance, employees can be rewarded for success and accomplishments, but it can also be used to communicate on how performance can be improved. (Armstrong 2015, 82.)

Performance management is the key process on how to execute the strategy through organization's workforce. According to Armstrong & Murlis, performance management has shifted from performance reviews to a more holistic, continuous process that is not based solely on an annual performance review as a HR-driven process, but to a core business process with a shared ownership between the HR, leadership and employees. Ongoing dialogue ensures that feedback on performance is continuous and thus allows the employee to influence their performance throughout the year and not just in the context of performance reviews. This also enables organizations to achieve the organization's strategic targets when operations and the performance are constantly directed towards them. (Armstrong & Murlis 2007, 252-255.)

3.2 Performance management in a non-profit organization

The key difference between an organization that is for-profit, and a non-profit organization is that a non-profit organization has been established to deal with matters that are for common benefit and of public interest, whereas a for-profit organization is aiming to make profits for owners or investors. (Bussin 2010, 9) Non-profit organizations exist to provide solutions and services to issues facing by society (Bussin 2010, 11).

As a result, non-profit organizations often do not make profits that could be redirected back to the organization, so the non-profit organizations often rely on funding. Therefore, it is important for non-profit organizations to ensure that their expenses are not exceeding their revenue, in order to be able to provide their services in the long-term. (Bussin 2010, 10-11.)

According to Bussin (2010, 30) performance management differs between for-profit and non-profit organizations in two ways:
- Clarity of outcomes.
- Stakeholder alignment.

For-profit organizations often produce concrete results that are easy to measure, while non-profit organizations provide services and solutions that are often intangible in nature. Alignment with different stakeholders in for-profit organizations is often more cohesive, as the expected outcome of an organization can be quite simple - generating profit and meeting consumer needs. Non-profit organizations can have diverse stakeholders with different interests in the outcome, which can lead to ambiguity about the expected results. (Bussin 2010, 30.)

This framework leads to non-profit leaders to often spend most of their time on external matters while not being able to focus on developing the organization's processes and effectiveness internally. Bussin also suggests that for-profit organizations tend to focus more on employee development and performance management than non-profit organizations, arguing that non-profit organizations attract employees who appeal to softer values, leading to a less efficient organization. (Bussin 2010, 31.)

According to Bussin (2010, 31) non-profit organizations have more challenges when it comes to defining their expected outcomes and ways of measuring their operations. Thus, performance management can help to clarify the objectives of the operations internally as well as externally. As stated earlier, performance management can help to implement the organization's strategy and culture which may lead to more clarity on the organization's objectives and support the organization to create a culture of performance.

3.3   Setting performance goals

For effective performance management, it is important to set goals for employees that allow the employee's performance to be assessed or measured. Goals for the employees are set considering the employee's role in the organization; the individual's goals are aligned with the top-level goals, i.e., the organization's strategic goals. (Kauhanen 2015, 70) When setting goals, attention should be paid to describing to the employee how the employee's input contributes to the strategic goals. At their best, goals help the employee to prioritize work tasks and clarifies the organization's

operations and strategy for the employee, and thus the organization's strategy can be better implemented in the organization.

According to Kauhanen (2015, 69), in theory, the businesses' goal is to maximize profit in the long run. In the third sector and for non-profit organizations however, goal setting consists of what the organization's activities are focused on and how resources are used. The strategy aims to clarify the purpose of the operations and with what resources and time spans the work is done. These strategic goals in the third sector support organizational change management, which can include internal or external change, either by developing existing operations or supporting the organization in transition or operational transformation. (Kauhanen 2015, 73) Setting metrics and measurable goals within non-profit organizations may also support in transparency in terms of what has been done and what has been achieved with the funds raised for the organization. According to Bussin (2010, 14.) non-profit organizations have to set performance standards in order to demonstrate the mission and the sustainability of the organization.

When setting goals, it should be emphasized that the goals are clearly defined. For the employee to be able to achieve the goals set for them, it should be ensured that the employee internalizes what is expected of them, and what and how the goals are measured. When the goals are motivating for the employee, the employee is more likely to engage and commit to the goals. (Kauhanen 2015, 78)

According to Kauhanen (2015, 77.) and Armstrong & Murlis (2007, 260.), measurable goals can be successfully created with SMART technique.
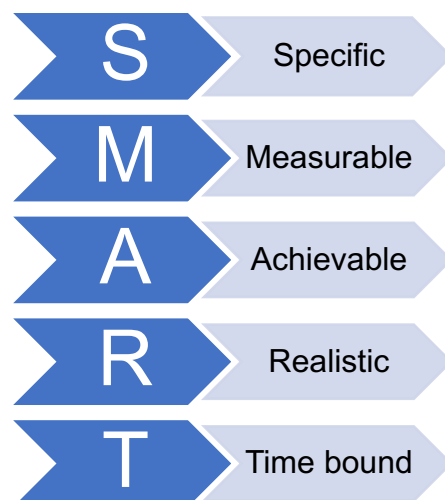

Figure 4. SMART goals (Adapted from Armstrong & Murlis 2007, 260.)

Robert L. Heneman & John M. Werner introduced this technique in 2005, and the SMART acronym describes goals that are specific, measurable, achievable, realistic, and time bound. (Viitala 2021, chapter 3.4.) The goals created with this technique allow for an accurate description of the goals, what is expected and what is being measured, that can further support the employee in better understanding the goals. Adapting this framework for goals also allow for goal setting to be consistent for each employee within the team.

3.4   Assessing performance and goal achievement

It is also important to define the metrics by which performance and the achievement of goals can be assessed especially, if these are used as a basis for pay decisions and rewarding. With performance measurement, it is possible to describe how and at what level the goals have been achieved. (Bussin 2017, 35) In performance management processes, it is possible to utilize quantitative metrics to which performance can be compared to. With a method like this, it is possible to monitor performance progress over a long period of time by comparing the results. Quantitative metrics can often answer *what* has been done or achieved.

Performance can also be measured through qualitative metrics that require an objective approach to measuring. These require behaviorally anchored rating systems (BARS) in which the behavior is accurate and descriptive. BARS aim to create a performance measurement system that can be utilized in creating an assigned performance ranking. (Bussin 2017, 35-36) Qualitative metrics can often be used to describe *how* the goals have been achieved. This kind of performance measurement system may be simple for the organization to adapt, however in order to be effective it requires that observable behavior is considered for achieving each goal in order for them to be measurable against the rating systems.

Table 1. Example of BARS metrics for an account manager role (adapted from Bussin 2017, 35.)

Observable behavior	Performance ranking	Numerical value
Demonstrates innovation and develops existing customer processes, increases client accounts by 50%	Exceeds expectations	5
Independently maintains customer processes, increases client accounts by 25%	Meets all expectations	4

In table 1., the base goal for an account manager role is to independently work in the current setup and increase client accounts by 25 % from the existing volume. However, as mentioned earlier it would be advisable from clarity perspectives to measure quantitative goals with quantitative metrics.

Narrative assessment may also be used for evaluating performance and achievement of goals. As illustrated in the table 2, the narrative assessment is a tool where individual's performance and achieved goals are evaluated against requirements of the job and objectives, and applied behavior and competence. (Armstrong & Cummins 2011, 147)

Table 2. Narrative assessment tool (adapted from Armstrong & Cummins 2011, 147.)

Description	Comments
Exceptional: has demonstrated excellent performance in the role against set goals and role's requirements, has exceptionally demonstrated organization's values while performing and acts as a role model in their job and contributes to the organization's culture through their performance and behavior	
Value added: has demonstrated good performance against set goals and roles requirements, has had a positive contribution to the organizational culture by utilizing the organizational values in their performance and behavior	
Acceptable: has demonstrated satisfying performance against set goals and role's requirements, generally achieves goals, and performance and behavior are partly aligned with organizational values	
Under-performing: has been generally under-performing and has not achieved goals defined for the role and the role's requirements	

To use this tool as a way to assess performance and achievement there should be a systematic framework that define the agreed performance or main objectives for the role, and the evaluation and overall summary will always need to be backed up by evidence to showcase objectivity, and employees should be included in the evaluation process. (Armstrong & Cummins 2011, 144) According to Armstrong & Cummins (2011, 144.) without a systematic approach the narrative assessment may be vague, and it may not be sufficient to be used as a framework for pay increases or rewarding.

When using narrative assessment tool, it is recommended to conduct pay reviews as a separate process, however narrative assessment can be used to support the evaluation of individual's performance, and to determine if the performance has reached a level where performance pay increase could be used as a reward. This can be done by agreeing on what kind of performance should be rewarded and creating a guideline that is communicated and trained to the managers making the decisions. (Armstrong & Cummins 2011, 146)

4 Reward management

In this chapter the author describes the concepts of rewards strategy, process and practices in the sub-chapter 4.1 and reward methods in the sub-chapter 4.2, focusing on total reward, tangible and direct rewards, and intangible and indirect rewards. In addition, in the sub-chapter 4.3 the author will present Herzberg's two-factor theory and Maslow's hierarchy of needs as important theoretical perspectives for motivation, which have also been considered in this thesis study. Then, transparency and fairness are addressed in connection with reward. Lastly, legal framework for compensation and rewarding in non-profits is introduced.

4.1 Reward strategy, process and practices

Reward strategy is part of reward management, along with reward policy, practice and process. According to Armstrong & Brown reward policy creates guidelines for decision making and operations, while reward practice puts reward strategy and policy into use in various structures, systems and procedures. Reward process is the method of implementing these policies and practices in the organization, and deals with how these are applied for example regarding pay adjustments. (Armstrong & Brown 2006, 32)

Armstrong defines reward strategy be a declaration of intent, that creates the framework for all reward and recognition related policies, processes, and activities in the organization (Armstrong 2015, 30). The goal of this strategic approach is to ensure that the achievements of employees are taken into account and that the contribution and successful achievement of performance and strategic goals are being rewarded. Reward strategy outlines how the organization manages rewarding in the long term and how the organization directs rewarding through various policies and processes. (Armstrong 2020, 172)

Reward strategy is directed from the organizational strategy or equivalent and is being directed, assessed and developed accordingly. It is also important from the corporate governance perspective that the management has an overview of how the management and personnel are rewarded, and that rewarding is lead strategically. (Ylikorkala, Hakonen, Hakonen & Hulkko-Nyman 2018, 18) This approach supports the reward strategy to be consistent with the organizational high-level strategy and that there are no exploitation or mismanagement for rewarding, and that the rewarding is according to the organization's intentions.

Additionally, when designing reward strategy, the organization should consider that rewarding is one of the strongest drivers of organizational culture. (Ylikorkala & al. 2018, 23.) As stated by Armstrong the practices should be aligned with the organization's values and objectives:

> Reward strategy is underpinned by a reward philosophy. It is concerned not only with what should be done but how it should be done; with implementation as well as planning. It is based on an understanding of the culture of the organization and appreciation of its needs and those of its people within the context in which the organization operates. This provides the basis upon which cultural fit is achieved and needs are satisfied. (Armstrong 2020, 172.)

Essentially, the reward strategy's objective is to give the organization clarity on what kind of measures the organization needs to take regarding their rewards and recognition scheme to ensure they are effective and compatible with the organizational culture. (Armstrong 2015, 30)

When defining a reward strategy and a reward and recognition system, it is recommended to analyze existing reward methods and models. Understanding what the organization's current level of compensation and rewards is, what total rewards package is offered to employees, and what is the desired outcome will support the organization in creating an effective rewards strategy. (Armstrong 2020, 173)

However, a reward and recognition scheme cannot be used to cover poor leadership and feedback practices. Appreciating people for their contribution should not require a strategic approach, as respecting and appreciating people should be embedded in the organizational culture. Employees may be reluctant to accept a structured reward and recognition scheme as a sincere gesture of appreciation if the day-to-day interaction does not reflect the same value. (Armstrong 2007, 405)

4.2   Compensation and rewards

Compensation and rewards play an important role when it comes to attracting and retaining employees especially in sectors where there is a strong competition for professionals. It can positively affect the organization's competitive position in the market and engage and motivate the organization's employees. In the next subchapters the author goes through the concepts of total reward, financial and tangible rewards, and psychological and intangible rewards.

4.2.1   Total reward

WorldatWork association defines total reward to comprehend compensation, wellbeing, benefits, development and recognition, virtually all that an employee receives from their employer in return for their performance and contribution in the job. (Cafaro 2021, 4) A total reward package is a combination of intangible and tangible elements.
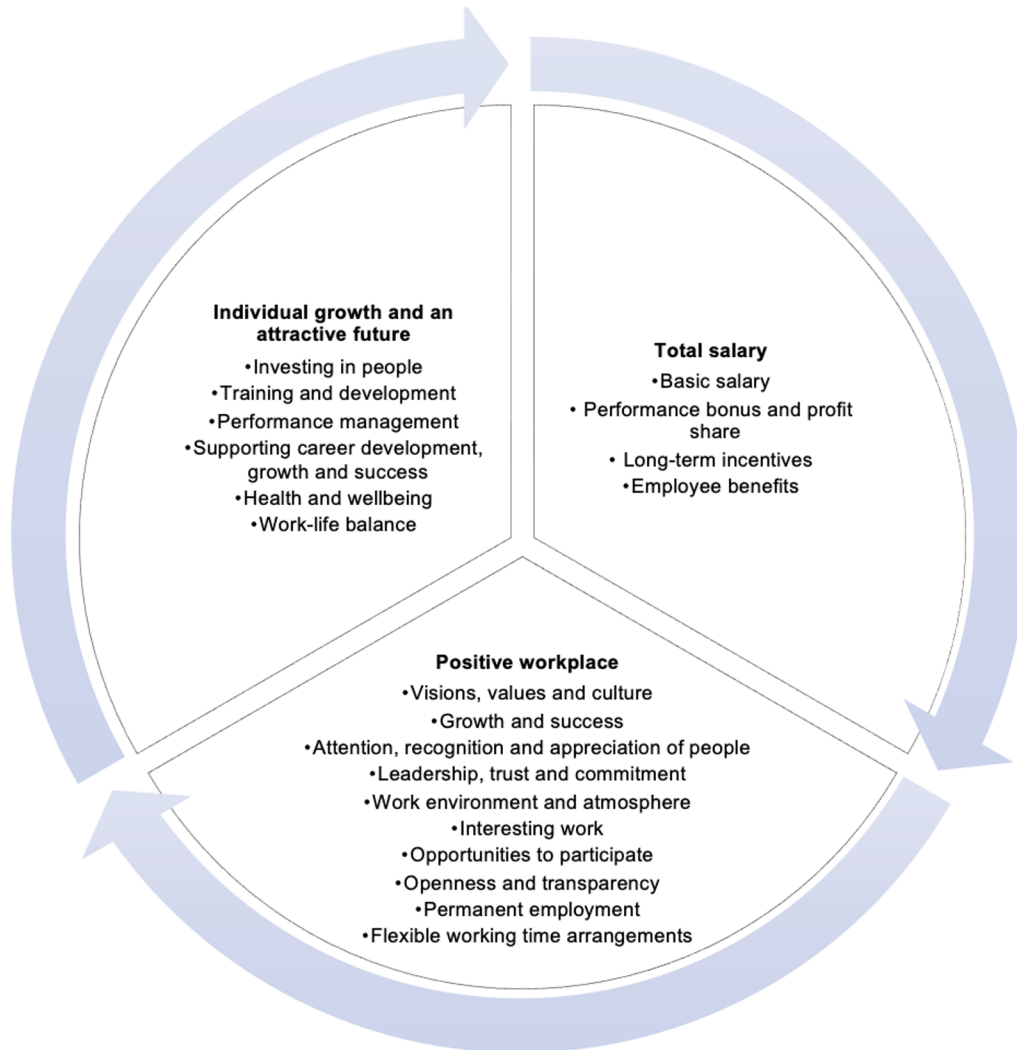
Figure 5. Total rewards (adapted from Hakonen, Hakonen, Hulkko-Nyman & Ylikorkala 2014, 35-36)

Hakonen et al. (2014, 37.) includes qualities of individual growth and an attractive future and elements of positive workplace in the total reward bundle. Investing in people through training and development and performance management and creating attractive career paths while maintaining healthy work-life balance are all elements of intrinsic rewards, intangible and in some cases indirect forms of rewarding. Total salary, also referred as compensation, includes tangible and direct forms of rewarding such as basic pay, financial short-term rewards and long-term incentives as well as benefits such as phone or lunch benefit.

Total reward is managed holistically, each component completing one another and creating impactful package of rewarding that satisfies and motivates the workforce. According to Armstrong & Murlis, total rewards approach is derived from business strategies but interlinked with HR strategies to achieve consistency and reinforcing reward policies and processes in the organization. (Armstrong & Murlis 2007, 12) At its best, strategically managed total reward bundle can increase the motivation and performance of employees (Cafaro 2021, 4).

Total rewards and what it consists in each organization is determined by the employer (Ylikorkala & Sweins, subchapter 1.1; Armstrong & Brown 2006, 22). However, this way of defining total rewards does not consider what employees perceive as rewarding. Creating a reward system with a top-down approach can lead to rewarding models that at worst, don't achieve its strategic purpose on for example attracting and retaining people or motivating employees for improved performance. Additionally, organizations can create an unwanted organizational culture, while rewarding.

4.2.2   Tangible and direct rewards

Tangible rewards include different types of financial and material compensation or rewarding, that are direct rewards. The employee recognizes that they are being rewarded and, at best, understands a causal link between, for example, their own performance and the reward in the case of performance-based rewarding.

The basic level of rewarding is a base pay. When an employee is hired to a company to work in a role, the company offers compensation for their contribution as a base pay. This compensation can be based on the company's pay structure, legal framework and possible collective agreements. The base pay of a role can be founded on the responsibilities, and it can also be defined by determining the role's *value* and importance for the organization's success. Part of the compensation is also determined based on qualifications and skills expected to be demonstrated in the role. (Ylikorkala & Sweins, subchapter 1.1)

Compensation can also be offered as a performance related pay. Performance related pay can be used to strengthen the relationship between performance and reward, engage the best performers and also communicate performance and necessary actions to non-performers. This helps the organization to create and lead a performance culture. Performance related pay also enables differentiated compensation levels within the organization that can be justified. (Bussin & Diez 2017, 69-70.)

Financial rewards can also consist of additional short-term rewards and long-term incentives. These contingent pay methods have different approaches, as financial rewards are retrospective, and incentives are more forward-looking. (Armstrong & Murlis 2007, 299)

As a short-term reward, a performance bonus can be used. Profit sharing as a performance bonus enables a flexible way to increase the total compensation of the workforce when the financial situation of the organization allows it and to share the profit to those who have contributed to it. Performance bonus can also be used for rewarding regardless of the organization's performance and profits, to encourage and motivate employees for individual or team performance and achieving their goals. This type of rewarding can be used to direct employees to performance goal related

activities, and an employee or team can be rewarded for achieving the set goals through a performance bonus. These kinds of rewards can also reduce the pressure of pay rise. (Ylikorkala & Sweins, subchapter 1.1.)

Short-term rewarding can also include spot bonuses. As suggested by Ylikorkala & Sweins (subchapter 1.1) this type of rewarding is typically shared based on outstanding performance and is a way for team leads and the management to recognize significant accomplishments. These rewards are non-base pay and should be relative to the outcome. (WorldatWork & Cafaro 2021, 257.) One-time rewards can be cash rewards, symbolic rewards, produce rewards, incentive travel, or free time as paid days off. (Ylikorkala & Sweins, subchapter 1.1.)

As mentioned earlier in this chapter, long-term incentives are more future oriented and aim to build performance and motivation over longer time period. The purpose of financial incentives is to motivate workforce to continuously improve their performance and develop their skills. (Armstrong & Murlis 2007, 299) Long-term reward methods may include, for example, stock options and the use of a personnel fund that covers the entire personnel. (Ylikorkala & Sweins, subchapter 1.1.)

4.2.3 Intangible and indirect rewards

Intangible rewards include all the components that the employee perceives as rewarding, and that the employer encompasses as part of the total reward bundle offered. These types of rewards may also be indirect, as the employee may not acknowledge that these methods are part of the reward offering.

Ylikorkala & Sweins (subchapter 1.1) include the work community and the content of meaningful work into intangible ways of rewarding. Colleagues and encouraging and fair leadership can also be part of intangible rewards, as they create positive emotions that may lead to increased job satisfaction. The work environment and its physical conditions, such as the location and accessibility of the workplace, and the cozy office and ergonomic furniture are also indirect forms of rewarding. Functional work equipment, such as a computer and a telephone, also has a significant effect on the smoothness of work and job satisfaction, especially if the employee can choose their own work equipment at the beginning of employment. (Ylikorkala & Sweins, subchapter 1.1.) It could be suggested that these are also part of collective extrinsic rewards. Collective extrinsic rewards include different methods that are offered to the workforce. These methods can encompass for example policies and practices that are targeted to impact of the wellbeing of employees, such as family-friendly policies, and other policies that impact the employees' work-life balance. (Armstrong 2015, 113.)

According to Ylikorkala & Sweins (subchapter 1.1), intangible forms of rewards also include the terms of the employment relationship, such as whether the employment is permanent or based on a fixed-term contract, or whether there is flexibility in working hours or other opportunities to influence working time. These elements also have implications for employee wellbeing.

Permanent employment contract can also support the commitment and motivate the employee, as the employment relationship also communicates to the employee that the organization is equally invested to the employee and appreciates the employee's contribution. This can also have a positive effect on performance, as the employee sees the continuity of their work relationship and the opportunity to develop in their work as well as career development within the organization.

Intangible rewards can also have individual intrinsic elements. According to Armstrong (2015, 112) individual intrinsic rewards include meaningful job and opportunities to grow. Ylikorkala & Sweins (subchapter 1.1) also state that the content of the work and the opportunities to develop in the role are part of the intangible rewards. Employees can also feel rewarded after accomplishing their rewards and having responsibility, especially if the latter is being given after achievements. (Armstrong 2015, 112.)

4.3   Motivational theories related to rewarding

When reviewing rewarding and examining how to reward people and drive performance, it is important to understand what motivation is, what is considered to increase individuals' motivation and what is motivational rewarding in the light of theory.

According to Rose (2011, 17) motivation can be divided into intrinsic motivation and extrinsic motivation. Intrinsic motivation refers to an internal motivational experience that can be achieved by doing one's job and gaining a sense of self-determination and delivering their potential. When an individual is motivated to do something because they find the activity itself interesting, satisfying, and aligned with the individual's personal values they are led by intrinsic motivation. (Salmela-Aro, Nurmi & Feldt 2017, subchapter Itsemääräämisteoria)

However, not all goals are personally significant when the goal is pursued through external influence. That is when the individual is led by their extrinsic motivation. (Salmela-Aro & al. 2017, subchapter Itsemääräämisteoria.) In work context extrinsic motivation refers to external incentives that are experienced motivational, the so-called carrot-and-stick approach, which seeks to motivate an employees by rewarding or punishing. (Rose 2011, 17.)

 According to self-determination theory, individuals tend to naturally adapt to the norms, valuations, and rules in their environment in order to experience self-actualization (Salmela-Aro & al. 2017,

subchapter Itsemääräämisteoria). This is in line with Herzberg's main assumption, that humans have two basic needs, tendency to avoid pain and misery and need for growth and development. (Aaltonen, Ahonen & Sahimaa 2020, 82) In order to avoid suffering, individuals adapt to the environment and seeks for growth and development by achieving goals that may be motivated by external influence.

Based on the assumption that humans have these two basic needs, Herzberg developed a theory in the 1950s, where work-related factors were divided into two categories, hygiene factors and motivators. (Aaltonen & al. 2020, 82)
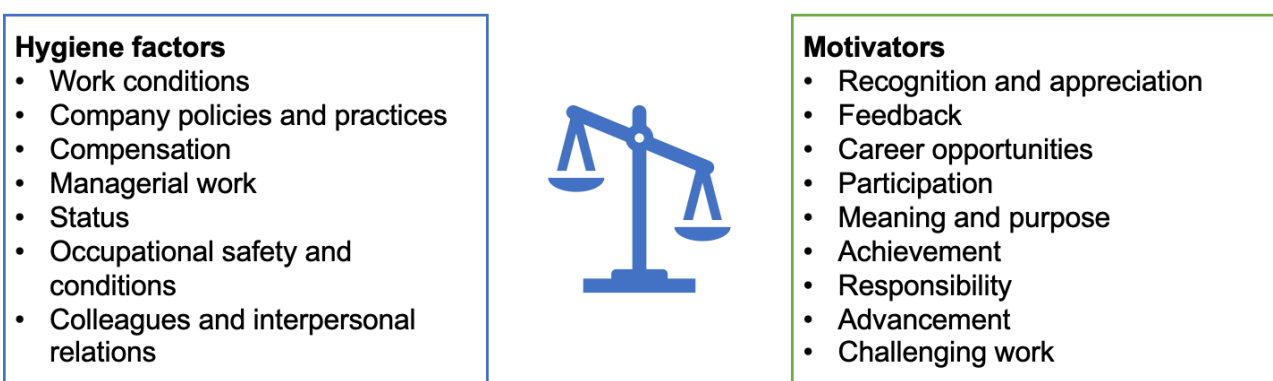

Figure 6. Herzberg's two-factor motivational theory (adapted from Aaltonen & al. 2020, 82)

According to Herzberg's theory, motivators are those elements that influence people's behavior in relation to job content. In order to increase motivation, Herzberg's theory suggests that people should be able to influence the content of their work and increase the freedom and responsibility in their work, and that achievements and general recognition also have a positive effect on motivation and job satisfaction. Hygiene factors, on the other hand, are factors that must exist for organizational purposes, such as the company policies and operating models, management and salary, but which do not increase motivation or job satisfaction. At best, hygiene factors have a neutral effect on job satisfaction and motivation. (Rose 2011, 17-18; Hakonen, subchapter 3.2)

Although Herzberg's theory originally suggested that pay and rewards may be neutral at best and may not achieve improved motivation, the theory has often been used to criticize financial rewarding and compensation. (Hakonen, subchapter 3.2)

While compensation is considered as a part of the total reward package, based on Herzberg's theory, it could be argued that compensation and financial rewards are not crucial elements for rewarding but merely a necessity that must be correctly defined in relation to the pay practices in the specific sector the organization operates in, and based on the employee's expertise and educational background, as well as the responsibilities of the job.

Additionally, Maslow's hierarchy of needs from the 1970s could be used to support the idea that financial rewards and incentives are not the number one motivators for people. Maslow's hierarchy of needs defined motivation from fundamental psychological needs toward self-actualization. According to Maslow's theory, human activity is guided by five needs: physiological, safety and security needs, love and belonging, self-esteem and self-actualization needs. (Rose 2011, 19; Hakonen, subchapter 3.2)
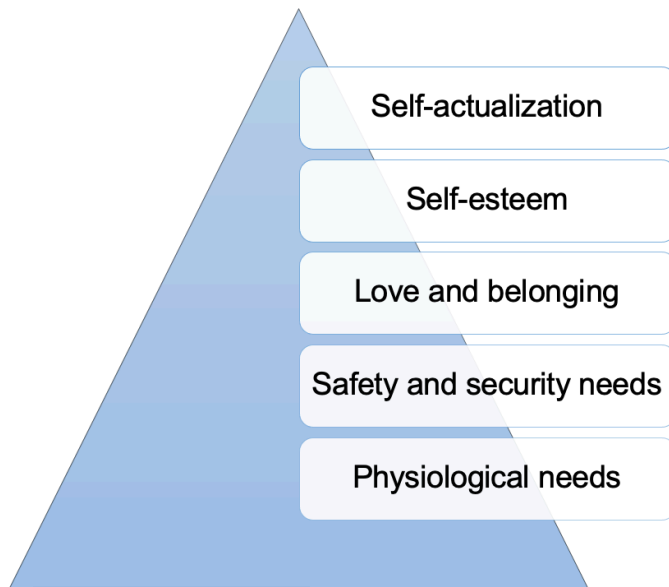
Figure 7. Maslow's hierarchy of needs (adapted from Rose 2011, 19)

The theory introduces the idea that only when the needs at the lowest levels of the hierarchy have become satisfied individuals may feel motivated by the self-actualization. According to the theory, needs should be met level by level, hence the name hierarchy of needs. (Rose 2011, 19; Hakonen subchapter 3.2)

According to Hakonen (subchapter 3.2) Maslow's theory is used to support the idea that money cannot motivate an employee to commit or achieve their goals. The needs at the lowest level of the Maslow's hierarchy can be pursued through financial incentives, but when the needs at the lowest level are met, the needs at the higher level will become more motivating for employees. The WorldatWork association develops Maslow's hierarchy of needs and rewarding concept further, illustrated in the figure 8.
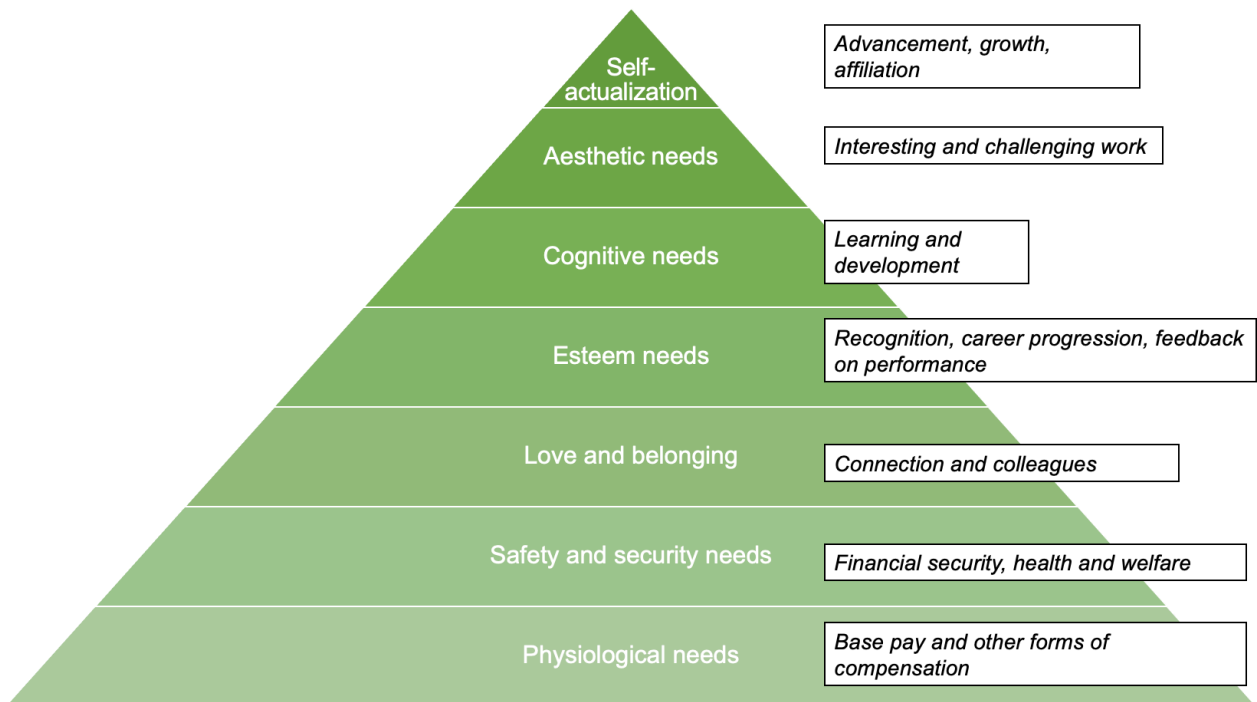
Figure 8. WorldatWork association's concept of Maslow's hierarchy of needs and transactional rewards (adapted from Cafaro 2021, 8)

In WorldatWork association's concept each level of need can be met with a transactional reward (Cafaro 2021, 8). These transactional rewards consist of tangible rewards, such as financial rewards, and intangible rewards such as development opportunities and feedback.

Based on the WorldatWork association's concept of transactional rewards it can be suggested that tangible rewards lose their value as motivators after financial security and stability has been established, and the intangible rewards increase their value as the needs are met level by level. Therefore, it can be claimed, that money is not a primary motivator for employees to commit to the organization nor actively work towards their set goals and improve performance.

Additionally, this point of view is also approached by Bussin (2018, 26), as Bussin suggests that employees' engagement towards employer could be improved through talent development initiatives, experiencing meaning and purpose through their work and appreciation, but that compensation is merely a hygiene factor. Mellanen & Mellanen also suggests that especially for the Y-generation compensation does not work as a method of rewarding after the compensation has reached a level that allows the employee live comfortably with the salary. Instead, appreciation and a challenging job where one is able to grow professionally is seen as a more attractive option and as a reward. (Mellanen & Mellanen 2020, chapter 9.)

4.4   Fairness and transparency

Fairness refers to an individual's experience of the justice of a decision or decision-making process and the treatment associated with it. The experience of fairness has direct and indirect effects on the success of the organization, as it affects the employee's commitment to the organization, work performance, satisfaction and trust in the organization's management. (Maaniemi, subchapter 3.1)

The experience fairness or the lack of it also affects rewards and their effects for example by, how decisions related to compensation and rewards are accepted, how the performance reviews are internalized and how well the reward system is perceived to work. The experience of injustice may affect the employee's attitude towards the employer and the employee may seek to reduce the injustice they experience, for example by reducing their own contribution by assessing it in relation to pay. However, it is important to note that experiences of justice and injustice are subjective experiences caused by an individual comparing their individual's contribution and reward to others. This process is illustrated in the figure 9. (Maaniemi, subchapter 3.1)

Individual's

Contribution
Reward

Subjective experience of distributed justice that emerges as a result of comparison

Other's

Contribution
Reward

Figure 9. Comparison as an influencing the subjective experience of distributed justice (adapted from Maaniemi, subchapter 3.1)

Justice can be divided into three sections: distributive justice, procedural justice and interactional justice. The distributive justice concept is based on an approach, where compensation is determined in proportion to the contribution. (Maaniemi, subchapter 3.1) The fairness of the distribution is achieved if the employee feels they receive a proportionate compensation or reward for their work and achievements, and what has been promised to them. (Armstrong 2015, 127.)

Procedural justice refers to the ways in which a decision was made and how an individual was treated in the decision-making process. This experience also affects how the individual views the outcome of the decision. If the individual feels that the decision-making process was unfair and that

the employees were not treated equally, they may be hesitant to accept the outcome. A guiding principle for procedural justice is consistency. Consistency is a principle that defines justice and, in this context, refers to equal treatment in the decision-making process. (Maaniemi, subchapter 3.1)

According to Armstrong, Tyler and Bies defined in the 1990s that procedural justice includes five key elements:
- Things are considered from the employees' perspective.
- Personal prejudice or partiality do not affect procedural justice.
- Decision-making is consistent.
- Employees are kept informed in a timely manner.
- The criteria for decision-making are presented to employees in a transparent and comprehensive manner. (Armstrong 2015, 128)

Related to the transparency of decision-making is the concept of interactional justice. Interactional justice in terms of reward is, for example, how reward matters are communicated in the organization and how the employees are treated during their performance review discussions. To accept decisions employees should be given transparency and clarity on the decision-making as well as truthful reasoning. (Maaniemi, subchapter 3.1) Employees should also be given continuous feedback in order to build the experience of interactional justice. If employees only receive feedback during their performance review discussions, they may not be able to comprehend the argumentation for such feedback and may experience it unfair. As the experiences of fairness and unfairness have far-reaching implications for the organization, it is important for the organization to consider ways to increase transparency regarding compensation and rewards, ensure that the practices involved with rewarding are transparent, and that the employees understand the basis for compensation and rewarding in the organization. Open and transparent communication also strengthens the implications of rewarding, as stated by Armstrong & Brown employees may underestimate the value of their total rewards. (Armstrong & Brown 2006, 230)

Furthermore, the injustice of reward has also emerged as a health risk factor in research. According to the stress model based on the effort-reward imbalance, stress arises from the imbalance between the demands and responsibilities of work and the reward of work. When employees aren't rewarded accordingly for their efforts, it is detrimental to the wellbeing of employees. (Työ- ja elinkeinoministeriö 2009, 9) Thus, the experience of fairness has a direct effect on the wellbeing of employees and should be paid attention to.

4.5 Rewarding in a non-profit organization

As discussed earlier in the chapter, compensation and rewards are often directed from the organization's profits. In the non-profit organizations however, possibilities for such financial rewarding are more limited and contains restrictions than for-profit organizations may face.

Although in some cases non-profit organizations also generate profits, they must be reinvested in the organization or withheld, and can't be shared to employees as performance bonuses for example. (Bussin 2010, 9.) In Finland, the non-profit organizations are regulated by the Finnish Tax Administration. Tax Administration also sets up requirements for the activities that also create framework for compensation and rewarding in non-profits.

> What are the requirements for non-profit activities?
>
> An association or foundation can only be a non-profit organisation if all of the following conditions are met:
>
> 1. The association or foundation acts exclusively and solely for the public good.
>
> 2. Activities are not only limited to a specific group of people, but they are openly accessible to all or otherwise cover a large group of people.
>
> 3. Participants in activities do not receive any financial benefits, such as dividends, profits or unreasonably high wages. For example, the purpose of lowering members' costs is regarded as a financial benefit. However, membership services and discounts can be provided for members when these benefits are regular and reasonable, and they are closely related to the organisation's activities.
>
> Associations that promote non-profit activities include youth associations, sports clubs, and recreational or leisure associations based on volunteer work. (Tax Administration 2021)

However, even with the limitations of financial rewarding and compensation, non-profit organizations may not be in a disadvantaged position compared to for-profit organizations when hiring or retaining employees. According to Bussin, employees who are attracted to working in a non-profit organizations find meaningful work and purpose more motivating than competitive compensation and financial rewards. Among non-profit organization's employees higher job satisfaction is experienced compared to for-profit organizations, and employees tend to be more intrinsically motivated when they can find purpose in their work. (Bussin 2010, 12-13)

5   Research strategy and methods

In this chapter the chosen research strategy and methods are described. First, the author explains the concepts of action research and research methods. Thereafter, the concepts of workshop method and survey are introduced.

5.1   Action research

Action research is a research strategy that seeks to find solutions to identified problems or challenges. The assumption for action research is that there is a need for change in the examined topic, and by studying the topic the research subject can be developed and improved. According to Saunders & al., five themes can be identified in action research, which are described as follows: purpose, process, participation, knowledge and implication. (Saunders & al. 2019, 202)

The starting point for action research is research questions, but because as action research is an iterative process, the focus on the research may change as the research progresses and evolves. (Saunders & al. 2019, 203) The aim of action research is a continuum of development in which evaluation, proposing action based on the evaluation, implementation, reflection and re-evaluation are repeated.

As a method, action research is participatory and utilizes the organization's diverse knowledge base. Participation is an important part of that research method, as action research is a social process in which the researcher works with members of the organization in facilitator role, collecting information and observing the research subject in order to improve it. (Saunders & al. 2019, 203)

Action research is well suited for research that aims to improve engagement and motivation at organization because of the research method's participatory element, as the research has implications beyond the research problem. The commissioning organization hopes to strengthen the team's self-organization by employees' involvement in goal setting and building motivation towards reaching the strategic goals by rewarding. Action research can support this goal as the methods of action research can also be used to influence engagement within the organization, as the participatory research method can create expectations for employees on how they will be taken into account in the organization's decision-making in the future. (Saunders & al. 2019, 204)

While participation is an important element of the action research, the participation in this project was made considering the resources of the organization. As participatory elements in this thesis research workshops and a survey were used for data collection.

5.2   Research methods

For this thesis research the chosen research method is mixed method research, as this study utilizes both qualitative and quantitative research methods. Mixed method is a branch of multiple methods research, where different techniques are utilized in the same research project. (Saunders & al. 2019,182)

According to Saunders & al. (2019, 190) action research as a research strategy and workshops for data collection are considered to be qualitative methods, whereas a survey as a data collection method is a part of quantitative research design. In this research the methods were concurrent, which in mixed method research means that the qualitative and quantitative methods were used separately in a single phase of data collection. In mixed method research, these data collection methods complement each other and create richer and practical data to be used for analyzing the results. (Saunders & al. 2019, 182) The key differences between qualitative and quantitative research methods are summarized below in table 1.

Table 3. Key differences between qualitative and quantitative research methods (adapted from Saunders & al. 178-179)

Qualitative research method	Quantitative research method
- semi-structured or unstructured	- structured and standardized
- the data collected are derived from words (spoken or text) and images	- the data collected are derived from variables that can be measured numerically and analysed statistically
- researcher identified as belonging within the research group	- researcher independent of the research group

As defined by Saunders & al. (2019, 179) "Qualitative research studies participants' meanings and the relationships between them, using a variety of data collection techniques and analytical procedures, to develop a conceptual framework and theoretical contribution". In order for a qualitative study to be successful, it needs a confidential relationship between the researcher and those being studied. In qualitative research, results are obtained from words and pictures instead of numbers. (Saunders & al. 2019, 179) A quantitative research method is a method in which the measurability of the research data and the numeric values of the results are key definitions. The study consists of relationships between variables. The results of the qualitative study are numerically measurable and are analyzed statistically and graphically. Whereas qualitative research method can be

unstructured or semi-structured, quantitative research is always structured and standardized in order to gain reliable results. (Saunders & al. 178)

5.3   Workshop as a data collection method

A workshop is a session where participants work together towards a shared goal. The workshop differs from ordinary meeting in that the approach to the workshop is creative and participatory and aims to reach a common objective. (Hamilton 2016, chapter 1) Therefore workshop method works as a way to collect additional information from the participants,

Hamilton (2016, chapter 1) lists the following as characteristics of a functioning and successful workshop:

- A clear common goal, participants understand what the workshop aims to achieve.
- A clear agenda, participants understand what will be done during the workshop.
- The creative thinking process will be used to support the achievement of the workshop's goal.
- The session has a facilitator.
- Through the workshop new perspectives and ideas are identified and discovered.
- The workshop utilizes the team's collective intelligence, everyone participating the workshop contributes.

Due to the creative structure of the workshop, phases of creative thinking process can be identified from it. Figure 9 illustrates the creative thinking process in workshops.
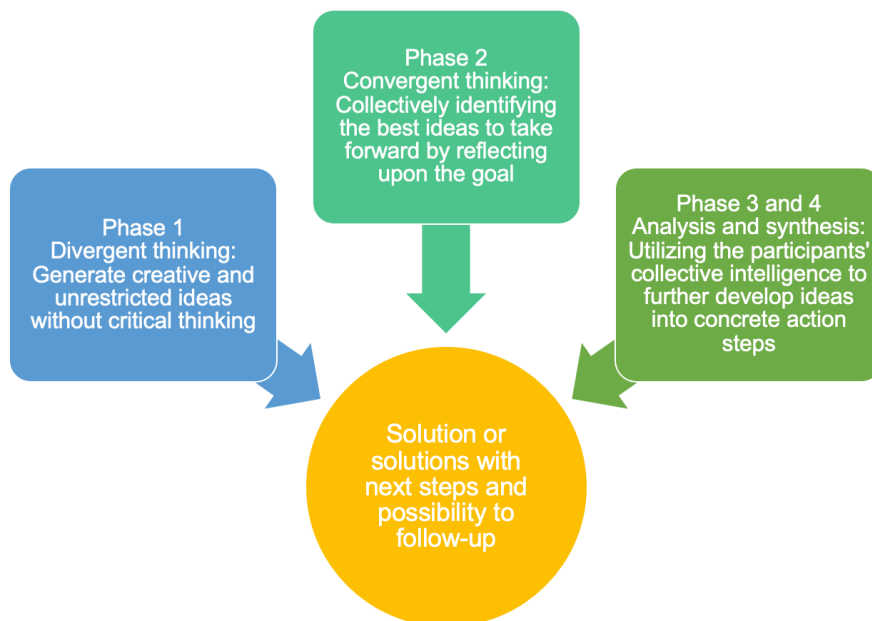

Figure 10. Creative thinking process in workshops (adapted from Hamilton 2016, chapter 2)

The key elements of a creative thinking process are divergent thinking, convergent thinking, analysis and synthesis. Divergent thinking seeks to unlock creativity and free form thinking as well as brainstorm new approaches and ideas out of the box. Convergent thinking, on the other hand, directs participants to find a common approach or a joint idea to way forward. In the analysis phase, participants apply their own competencies and skills to identify key ideas or approaches that should be further developed. With the help of synthesis, the ideas and approaches are worked into solutions, that will be constructed in such a way that it is possible to create next steps and follow-up work on the basis of them. (Hamilton 2016, chapter 2)

Workshop and the creative thinking process is steered by a facilitator, who can be either inside or outside the organization, but the facilitator cannot participate in the workshop itself, as the facilitator must be able to act objectively and ensure that participants stay largely on topic. (Armstrong & Cummins 2011, 7; Hamilton 2016, chapter 3)

The facilitator should direct the workshop as an independent non-group member and ensure that participants have the opportunity to create their own solution with the facilitator's consultation and support. It is important for the facilitator to create a safe environment where team members can get creative without fear of criticism or being assessed. Trust is an essential element here, hence building rapport among the participants will support the workshop succeeding. Although there should be room for open discussion in the workshop, it is essential for the success of the workshop that the discussion is guided by asking questions and involving everyone participating in the workshop. Lastly, terms of the outcome and solutions, the facilitator can make suggestions, but these must be accepted and committed to by the workshop participants. (Armstrong & Cummins 2011, 10-11)

5.4   Survey as a data collection method

A survey easily produces quantitative data that can be utilized in the study and analysed standardized. Including questions with open answers on the survey, it is also possible to observe qualitative features in the survey. When using surveys as a data collection method, the researcher can control the research process. The survey method also allows for statistically representative data from the survey results. Using surveys as a data collection method also enables the data to be analysed in order to define possible factors or causes between different variables. (Saunders & al. 2019, 193-194)

Vilkka (2021, chapter 4) describes the survey method as the most typical way of collecting quantitative data. The survey method is a flexible and time-efficient way to collect data. While surveys can be conducted verbally face-to-face, this is not recommended for internal surveys in

organizations, as it would be critical from an ethical point of view to allow the responses to be anonymous, and to ensure that the responses to the survey are not influenced deliberately or non-deliberately by the person conducting the survey.

A survey can also be conducted in a written form. In written surveys the respondent reads the written question themselves and answers it in writing. According to Vilkka (2021, chapter 4), the written survey method is particularly well-suited for a large and scattered group of people, as well as to a research that deals with sensitive questions.

E-mail or Internet surveys work best when the respondents are made up of internal stakeholders, as a common IT environment can ensure that the survey runs smoothly. One advantage of a written survey is that the respondent remains anonymous, although also written survey also includes an ethical risk, as respondents' anonymity can be vulnerable due to their email address or computer's IP (Internet Protocol) number. (Vilkka 2021, chapter 4)

6 Research process

This chapter describes the research process that was conducted in the commissioning organization. The chapter includes descriptions of different thesis process steps that were included in the project, that are further explained in the figure 11.
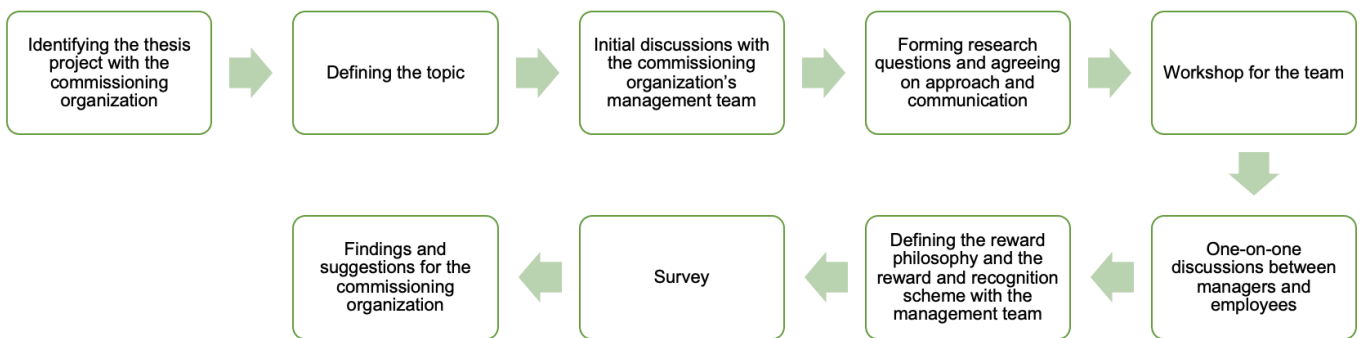

Figure 11. Thesis process steps with the commissioning organization

6.1 Initial discussions with the commissioning organization's management team

The research topic for the commissioning organization was initially introduced by the commissioning organization, when the organization explored the development of rewards as a method to ensure that employees were inspired and motivated to implement the organization's new strategy in their work. The aim of this thesis was to develop a remuneration model for the commissioning organization that would support the organization's strategic goals. While studying how to reward employees for meeting their employee performance goals, it was decided that it would be important to also find out how employees understood the performance management processes in the organization.

At the project's kick-off meeting in May 2021, common operating models and practices were agreed upon and the objectives of the research were outlined. The aim of the research was to answer the following questions:

1. How employees understand the goal setting for their work?
2. What is the current perception on rewarding and total rewards among the commissioning organization's employees?
3. What kind of recognition and reward methods are experienced meaningful and rewarding among the commissioning organization's employees?

As described earlier in the report, it is essential for action research that the participatory element of the research exists. The author and the commissioning organization agreed on how to involve

employees and how to collect data from the organization. For the success of the action research, it was important that the employees were involved in the project as much as possible, considering the commissioning organization's resources and possible limitations.

The commissioning organization employed less than 10 people while the thesis research was conducted, thus it was agreed with the commissioning organization that the organization's management would participate in the workshops and ensure that the team members were kept informed of the progress of the project. As the overall communication within the organization was agile and effortless, employees could reach out the author if they had any additional questions or concerns on the project. A separate Slack thread was also created for the project, in which the author informed the employees about the different stages of the project as agreed with the managers.

It was also agreed at the kick-off meeting that the next step in the project would be to ensure that employees understand performance management processes in the commissioning organization and create clarity on the goals set for their work. After this phase, it would be possible to better investigate what would motivate employees to achieve their goals and create a framework for rewarding when achieving those goals.

6.2 Performance management process in the commissioning organization

In the commissioning organization's performance management processes planning and measuring performance against set goals, coaching for improved performance and feedback dialogue are included in the process.
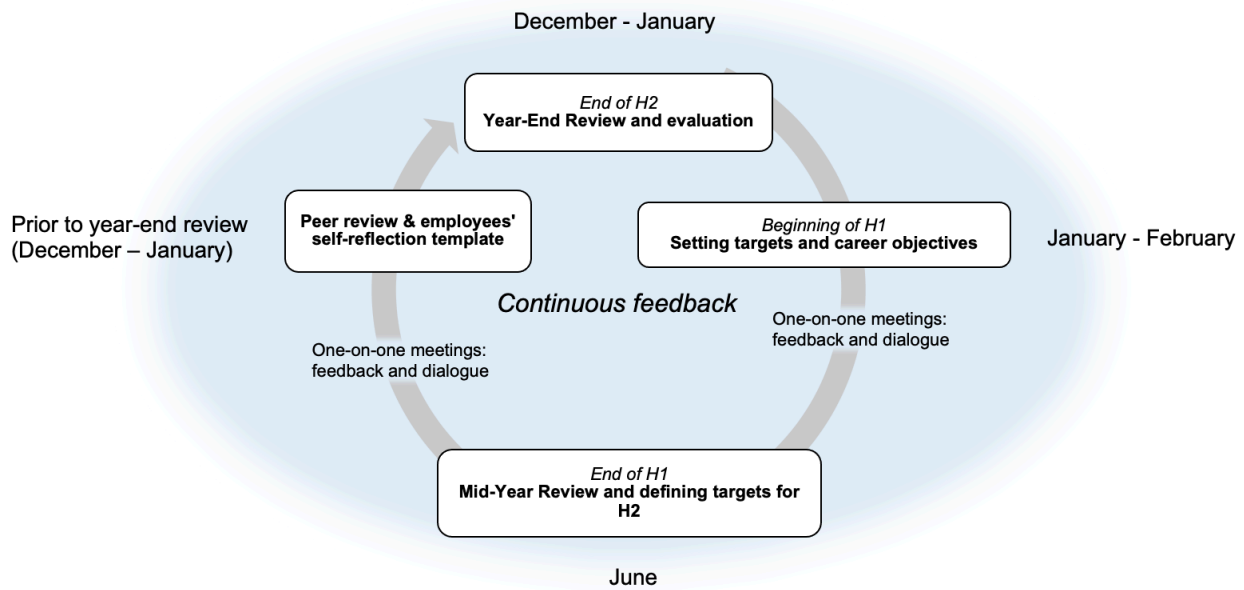
Figure 12. Performance management process in the commissioning organization

In the commissioning organization performance management process includes one-on-one discussions between employees and managers, where the employee can have a confidential dialogue with their manager on a weekly or bi-weekly basis. During these discussions employees can share how their work is progressing or anything that may be hindering the progress. The organization encourages the employees to use this time for however the employees see best, as it is their private time to discuss topics related to their employment. One-on-one discussions are also used to share feedback on the employee's performance and re-defining targets if needed.

The performance management process cycle in the organization also includes checkpoints, where the employee performance is evaluated based on peer feedback and self-evaluation. Between the end of May and mid-June the employee will receive feedback from their managers for the past months and can request structured feedback from their colleagues or team members, if they wish so. This is repeated between December-January, when the employee's performance during the calendar year is being evaluated.

During December-January the employees' performance is evaluated against a narrative assessment tool and peer feedback. The current narrative assessment of employees' performance includes four dimensions: exceeds expectations, meets all expectations, meets some expectations and doesn't meet any expectations. The rating does not include a detailed description of what the expected competences or behaviors applied are but give a high-level overview of what is expected of the employees.

Rating: This is a subjective assessment done by your supervisor.

- **Exceeds Expectations:** If you get this, you're an absolute superstar and are going above and beyond of what is expected of you.

- **Meets All Expectations:** This is the most common rating and means that you're doing exactly what and how you're supposed to be doing in your current role. Well done!

- **Meets Some Expectations:** If you get this, there are some areas where you're not performing as expected. This rating *should not* come as a surprise and you should know what those areas are and have a clear development plan based on your discussions with your supervisor.

- **Doesn't Meet Any Expectations:** Sometimes your role or the organization develop in a direction that is not what you expected when you started working here, the timing for your role or profile might be wrong or we're just not a good match. Reserve enough time to have an in-depth discussion with your supervisor on the next steps. (We Foundation 2022)

Goal of the performance management process in the commissioning organization is to create a process where the employees themselves are the owners of the performance management process jointly with their managers, as the process aims to drive the employee's success in the job and for their personal development. During the end-year review checkpoint employees will need to request feedback from 2-4 colleagues or team members in order to give the manager more holistic view on their performance. Employees are also asked to fill in a self-evaluation template that serves as a basis for the performance evaluation discussion.

In the commissioning organization new strategic goals are aligned for the employees during January-February which are based on the organization's targets and the individual's development needs and career aspirations. This cycle continues during the next calendar year, and the employee's goals are revisited during the one-on-one discussions and revised if needed.

6.3   Workshop for the employees of the commissioning organization

In the second phase of the development project, employees were involved in the research project in May 2021 with a joint workshop where the entire team discussed the organization's performance management processes and the team's goal setting. In order to develop a reward system that is effective, it is crucial to ensure that the employees understand the principles of goal setting, and *what* they are being measured and rewarded for.

Table 4. Workshop agenda

Opening the workshop and describing the thesis project	- What is performance management and how does the process look like in our organization - Thesis research: Creating a reward strategy and a reward system
Recap of operative goals for 2020/H2	- Quantative goals - Qualitative goals
Reflection	*Discussion of goals and related challenges*
SMART-goals principles	*How to set goals that are measurable and how can we define goals that are derived from our operations?*
Next steps	*121-discussions with managers and mid-year performance reviews*

During the workshop the goals set for 2020 were reviewed. The managers described how the goals had been set, and it was discussed together how employees had understood them. Discussions with employees revealed that employees had not previously been involved in setting goals, but that goals had been created without employee involvement or input. The team found the goals unclear, and the achievement of the goals was perceived as partly unrealistic, as the employees had not fully internalized how the goals had been formed and how the individual's contribution would affect the goals set for the team.

As stated by Armstrong (2020, 143) as a principle for an effective performance process, employees should be involved in the performance goal setting. The process is generally in a way inconsistent with this principle because the employee's goals are derived from the strategic goals created by the organization's management. Thus, setting goals easily becomes a top-down approach. Therefore, the cornerstone of a successful performance management process is inclusion, as employees should be involved in creating their own goals to avoid the process becoming simply controlled by the management. (Armstrong 2020, 143)

As a next step for the workshop, it was initially decided that the author would have meetings with the team members to discuss the goals further, but due to the team's busy schedule it was agreed that the team's manager would include the discussion in their one-one-one meetings. During these meetings new goals were set for the team members and the role-specific responsibilities were clarified. Additionally, the expected, basic level of performance of each role was discussed in order for the team members to understand the principles of performance-based rewarding.

6.4   Creating reward strategy for the organization

After the processes of performance management and the basics of goal setting were clarified with the commissioning organization, the author and the management of the organization had joint discussions specifying the goals of the rewarding in the organization. In order for rewards to support the organization's goals and to be in aligned with the organization's values and culture, rewards must be managed strategically. These discussion outlined what the organization was aiming for through rewarding. The commissioning organization specified that the purpose of the reward process was to implement the organization's new strategy, which was also targeted by clarifying the performance goals. It was therefore agreed that rewarding would be tied to the goals.

Additionally, it was also important to consider what are the limiting conditions for rewarding in the organization. Due to the non-profit nature of the organization, financial rewarding was not emphasized when outlining the reward model. For example, it would not be possible to derive a potential bonus pay to an organization's performance except in limited roles. Therefore, in this thesis project the commissioning organization and the author focused only on developing the rewarding model within the scope of the current organization, and for additional roles that may be generated in the organization and other changes in operations, rewarding will be considered later. It is also important to note that the organization already has competitive compensation, as the organization has wanted to offer its employees a better salary than what is offered typically in the industry. In this discussion, a possible budget for rewarding was also considered.

The management of the commissioning organization, together with the author, agreed that it would be important to consider possible ways of rewarding within the limitative framework, before investigating about what is found motivating rewarding among the employees. The organization wanted to be mindful about the aspect of expectation management as well, so the employees were not asked questions related to any rewarding method that would not be possible to offer in the organization.

Due to the non-profit nature of the organization and the cause it drives, it was logical that rewards should have similar effects. Therefore, it was decided that the aim of the reward scheme was to

support and strengthen the wellbeing of employees. This type of rewarding also supports the organizational culture and would also further develop the existing culture. While employees can find the total rewards bundle motivating and rewarding, it can be used to strengthen wellbeing at work in various ways cost-effectively.

6.5 Survey for the employees of the commissioning organization

As data collection method survey was chosen. The questions were drafted together with the management team of the organization. The survey for employees was conducted during October 2021 and to ensure that everyone in the team had the time to answer the survey, the management team booked a time slot prior to a team meeting for answering. This survey was answered by the entire team of the commissioning organization, 6 employees. In the survey the team was asked questions related to goal setting and their perception of the current rewarding practices in the organization. First 6 questions of the survey were qualitative open-ended questions, where the employees were able to answer with their own words and the last 3 questions were quantitative questions where the employees were able to assess the options with grades from 1-5, and also suggest their own option for an answer. The survey was conducted in Finnish as the team's working language is still Finnish, but the author will describe the summary of the answers in this sub-chapter. The survey can be found as an attachment as Appendix 2.

In the first part of the survey the questions were concerned with the goal setting in the organization. In the first question the employees were asked about their current understanding of their goals. All 6 respondents answered that the goals had been set together with their managers, and two respondents also included the team's input as part of their goal setting. One respondent also reflected on how they should be able to redefine their goals based on the needs of the operations. As a summary, the answers reflected that the workshop and the one-on-one discussions regarding the performance management and goal setting had clarified the process itself, and as a result they had led to including the employees in the process. Employees had been setting their individual goals together with their manager, and the employees were able to give their input, thus taking ownership on the goals from the very beginning.

The second question was related to defining the goals for individuals and asked the respondents to reflect upon how their goals are defined. Summarized, the answers reflected that the respondents understood how their individual goals were aligned from the shared goals of the team, and that these goals were derived from the operations, which is planned and aligned from the organization's strategic goals. However, based on the answers, the connection of the individual goals to the

organization's strategy could be further strengthened in order to improve the employees' under-standing how their contribution impacts the success of the organization.

The third question was related to the respondents' perception of how the organization recognizes performance, and how the individuals receive this feedback. Each respondent included feedback as a method of recognition in their answer, both external and internal feedback had been received when succeeding in the job. The answers also reflected how the respondents are actively evaluating their daily operations and use data to get insights of how impactful their activities are. The individual goals had been set couple months prior to the survey; hence the goals were not included in the answers.

In the fourth question in the survey the respondents were asked to reflect upon what the most important work-related motivators for them are. The answers had common elements such as the psychological safety and atmosphere within the team, feedback and possibility to grow and develop the operations. Meaningful work and experiencing purpose through their work and the organization's mission, and work environment was seen as a motivator also. Flexibility and autonomy in the roles, able to influence their own work and ability to grow professionally were also seen as motivating factors in 5 out of 6 answers. Only one respondent included pay as a motivator. These answers reflect that in the team the psychological and intangible rewards are highly appreciated.

In the fifth question of the survey the respondents were asked what happens when they succeed at work. 3 out of 6 respondents included feedback in their answers, based on the answers the respondents feel that when they have succeeded their contribution was acknowledged and feedback has served as an evidence for them of that appreciation. The answers also reflected that the respondents experience feelings of achievement during their workdays when their work has visible impact on the operations, this includes seeing progress with the target group and having more families visiting the community house or gaining more partnerships for the commissioning organization.

The sixth question concerned about rewarding, as the respondents were asked how they have experienced rewarding in the commissioning organization. As a summary, the answers reflected how most of the employees had perceived feedback being the main form of rewarding in the organization as well as spot bonuses and one-time rewards as 3 out of 6 respondents included these elements in their answers. Two respondents also included compensation and additional benefits as being a form of rewarding in the organization, and that the commissioning organization has been focusing on the wellbeing of employees.

After the open-ended questions the survey had numeric questions where the respondents were asked to rate the options from 1-5, 1 being that the option was not meaningful at all for the respondent and 5 being very meaningful.

How meaningful do you consider current rewarding methods and employment benefits?

1 Not meaningful at all, 2 Not very meaningful, 3 Neutral, 4 Fairly meaningful, 5 Very meaningful

	1	2	3	4	5
Permanent employment	0 %	0 %	0 %	0 %	100 %
Competetive pay	0 %	0 %	0 %	16,7%	83,3%
Wide occupational healthcare services	0 %	0 %	16,7%	0 %	83,3%
Loisto - insurance	0 %	0 %	16,7%	33,3%	50 %
Lunch benefit	0 %	0 %	16,7%	50 %	33,3%
Sport and culture benefit	0 %	0 %	16,7%	66,6%	16,7%
Work premises	0 %	0 %	0 %	83,3%	16,7%
Snacks and coffee	0 %	0 %	16,7%	66,6%	16,7%
Work tools (laptops, phone etc)	0 %	0 %	16,7%	33,3%	50 %
Team's recreational activities	0 %	0 %	0 %	50 %	50 %
Foundation's recreational activities	0 %	0 %	33,3%	50 %	16,7%
Something else, what?	33,3%	0 %	33,3%	16,7%	16,7%

Something else, what?	-
Something else, what?	Hobby opportunities provided by the employer (common and recurring), in the past e.g. yoga and swimming
Something else, what?	-

Figure 13. Answers for question 7

In the question number 7 (Figure 13.) respondents were asked to rate the current rewarding methods and employment benefits within the commissioning organization. Based on the answers the respondents felt either neutral towards the rewards and benefits, or that the total rewards offering is fairly meaningful or very meaningful for the respondent.

The average rate for all the rewarding methods and employment benefits is 4,2, so it can be argued that the total rewards bundle offered is found fairly motivating and rewarding among the respondents.
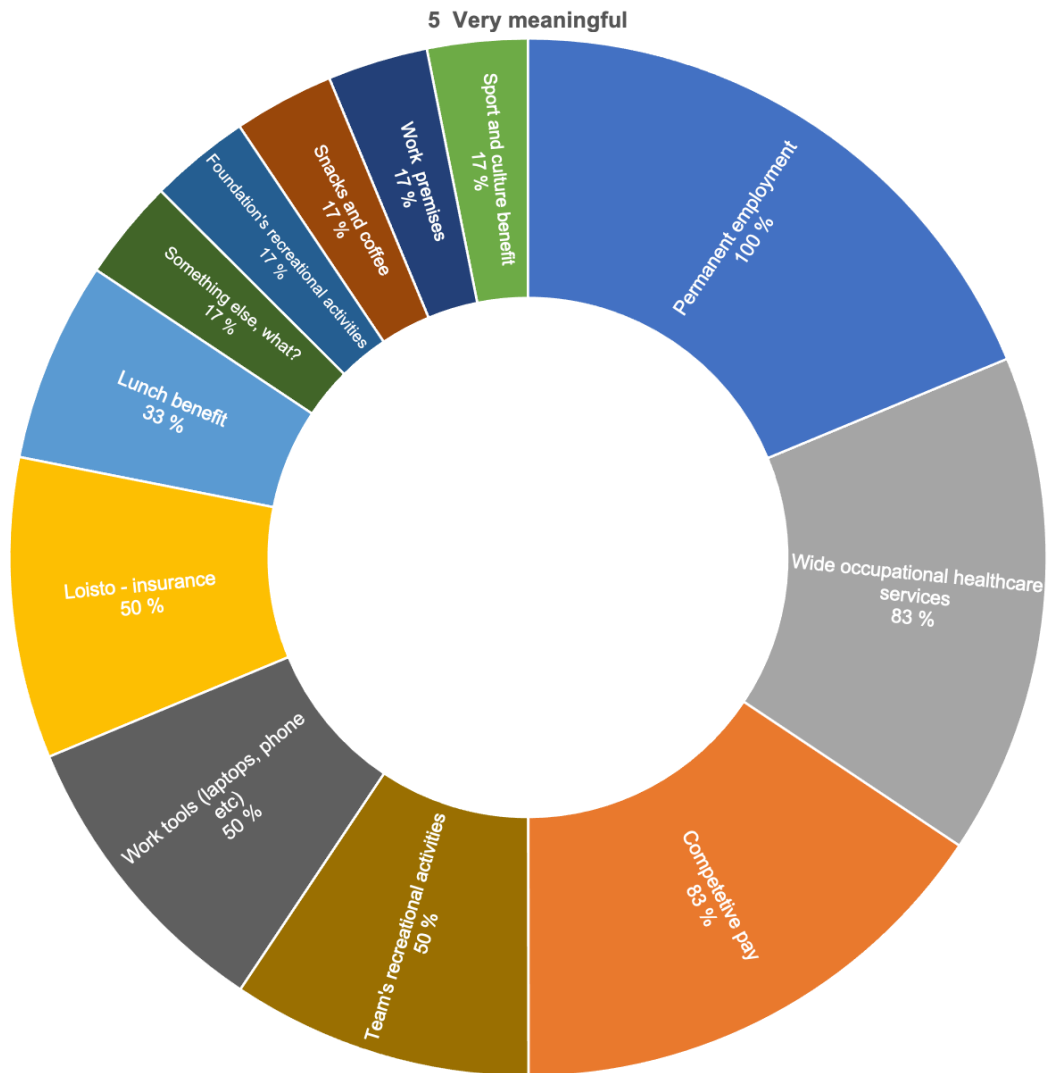
Figure 14. Most meaningful rewarding methods and benefits among the current model

In the figure 14 the rating option 5 very meaningful responses for question 7 are taken a closer look. The top 3 current methods of rewarding and benefits based on the responses were *Permanent employment, Wide occupational healthcare services* and *Competitive pay.* 100 % of the respondents valued the option *Permanent employment* as very meaningful rewarding method offered by the employer. Also, *Wide occupational healthcare services* are perceived by 83 % of the responses to be very meaningful, similar rate 83 % was given to the option *Competitive pay.*

How motivating do you find the current incentives?
1 Not important at all, 2 Not very important, 3 Neutral, 4 Fairly important 5 Very important

	1	2	3	4	5
Opportunity to influence the content of your own work	0 %	0 %	0 %	0 %	100 %
Possibility to influence working hours	0 %	0 %	0 %	16,7%	83,3%
Opportunity to develop at work	0 %	0 %	0 %	16,7%	83,3%
Encouraging feedback from the team	0 %	0 %	0 %	16,7%	83,3%
Encouraging feedback from management	0 %	0 %	0 %	33,3%	66,7%
Multidisciplinary work community	0 %	0 %	16,7%	16,7%	66,6%
Community's encouraging feedback	0 %	0 %	16,7%	16,7%	66,6%
Work guidance (offered service)	16,6%	0 %	16,7%	50 %	16,7%
Something else, what?	33,3%	0 %	33,3%	16,7%	16,7%
Opportunity to attend trainings	0 %	0 %	33,3%	66,7%	0 %

Something else, what?	-
Something else, what?	Board's feedback for the team
Something else, what?	-

Figure 15. Answers for question 8

In the question 8 (Figure 15.) the employees were asked how motivating they perceived their current incentives. Based on the responses the current incentives are perceived fairly motivating as the average rate for options was 4,3. The response rating for *Work guidance* is an interesting finding, as 16,6 % of the respondents found the incentive to not be meaningful at all and 16,7 % found the incentive to be neutral, which can be interpreted that it was not experienced as motivating. Work guidance is an external service provided for the team to support their work and wellbeing.

Opportunity to attend trainings option was found neutral by 33,3 % of the respondents, which can also be interpreted not to be an incentive that is experienced as motivating. Individual's subjective experience may also affect how this incentive is perceived, as it may be that not everyone is able to attend trainings due to their role or that training options may be more limited depending on the role.
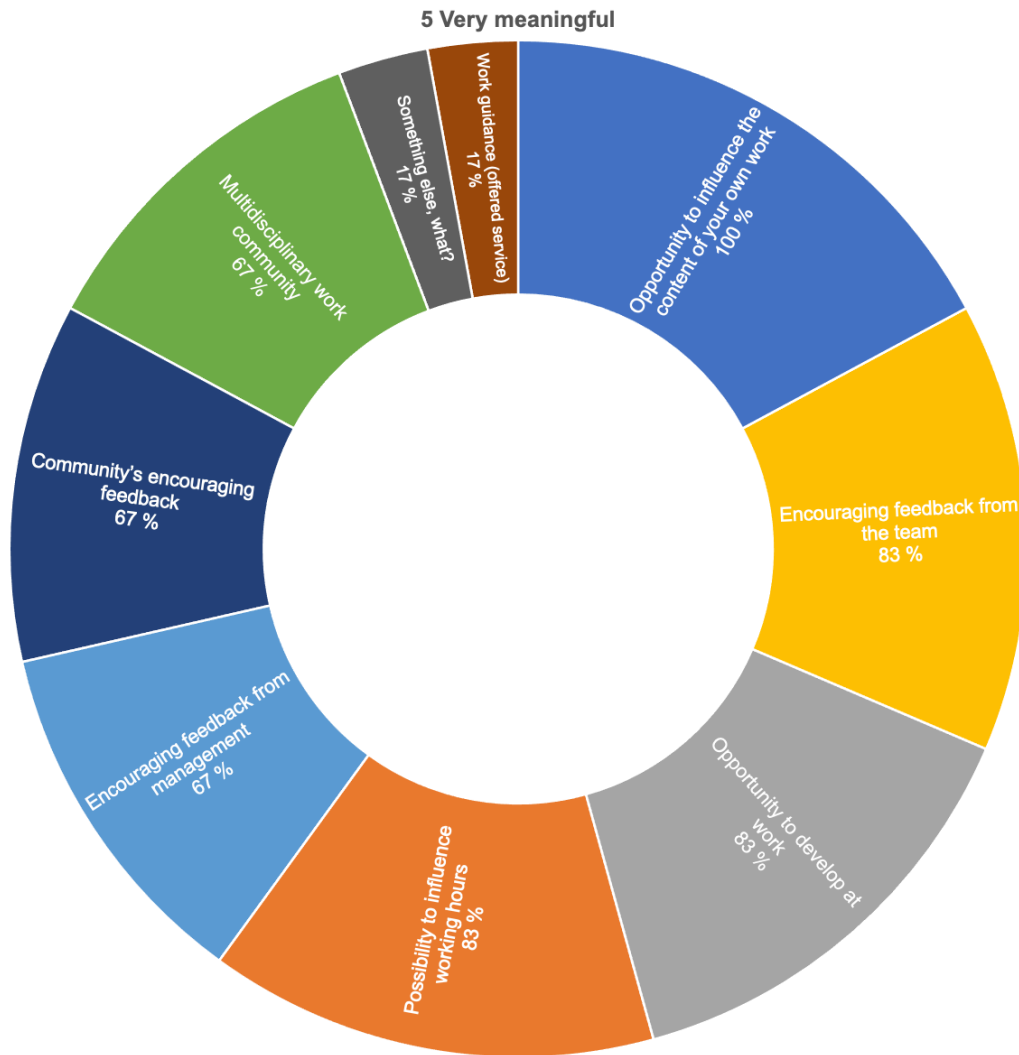
Figure 16. Most important incentives in the current model

In the figure 16 the rating option 5 *Very meaningful* is illustrated. The most important incentive for the respondents is the autonomy of their work, as 100 % of the respondents have chosen the option *Opportunity to influence the content of your own work* as very meaningful for the respondents. The responses for this question are more evenly distributed as 3 options have the same response percentage. Options *Encouraging feedback from the team, Opportunity to develop at work* and *Possibility to influence working hours* each have been chosen as very meaningful incentive by 83 % of respondents. These responses reflect on how the respondents value highly the independent working style of the commissioning organization, and the possibility to grow professionally at work.

Which of the following rewarding methods would be the most relevant / motivating for you?
1 Not important at all, 2 Not very important, 3 Neutral, 4 Fairly important, 5 Very important

	1	2	3	4	5
Additional paid holiday / day-off	0 %	0 %	0 %	50 %	50 %
Something else, what?	0 %	0 %	33,3%	16,7%	50 %
Wellness gift card	0 %	0 %	40 %	20 %	40 %
Education (opportunity to train / participate in trainings)	16,7%	0 %	33,3%	16,7%	33,3%
Activities for the team (e.g. study trip, restaurant, theatre, museum)	0 %	0 %	60 %	20 %	20 %
Other services to support everyday life (cleaning, babysitting, etc.)	0 %	0 %	40 %	60 %	0 %
On-spot rewards (movie tickets, Wolt-credits, S-chain gift card, Timma- gift card, etc.)	0 %	0 %	33,3%	66,7%	0 %
Restaurant gift card	0 %	0 %	16,7%	83,3%	0 %
Cultural gift card	0 %	0 %	50 %	50 %	0 %

Something else, what?	-
Something else, what?	Cash reward in some cases (eg sales)
Something else, what?	An extra lump sum (small budget) for Meltsi
Something else, what?	Cash compensation / bonus etc.

Figure 17. Question 9

In the question 9 the respondents were asked to reflect on the most relevant or motivating rewarding option for themselves. The question 9 is illustrated in the figure 17.

It is interesting that for this question the average rating for all the options was 3,8. It can be interpreted that there is more dispersion in the responses for this questions than for other questions in the survey, and that the possible reward options may not seem to be relevant or motivating for every employee, and that many of the options presented in this question were generally perceived to be only fairly important or neutral options.
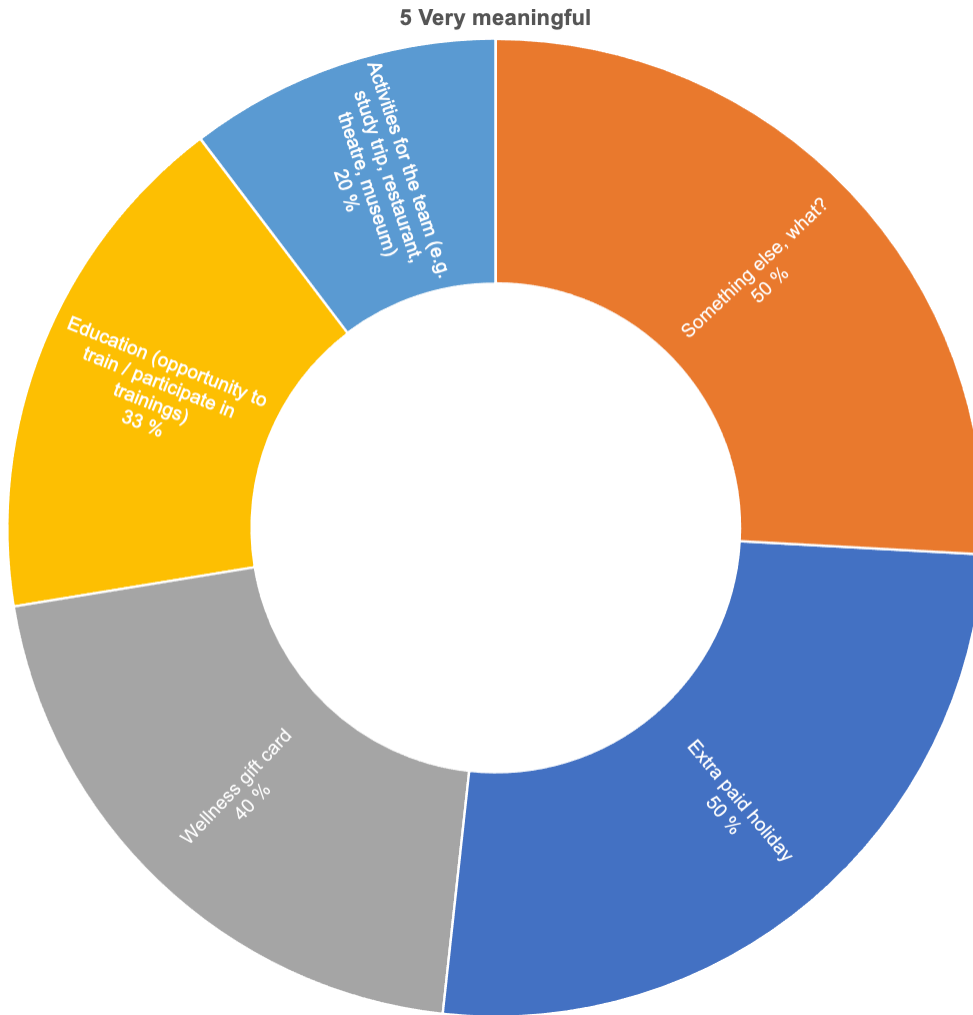
Figure 18. Most motivating or meaningful reward methods for the new reward model

The options rated to be very important as relevant or motivating rewarding methods for respondents are further illustrated in figure 18. From the 9 options offered in the question only 5 were found very important for respondents. From these five options none were perceived as very important by over 50 % of the respondents. In this small sample size, it means that only 3 out of 6 respondents felt that the offered rewarding methods would be found very meaningful or important. The most relevant or motivating rewarding methods for respondents were the options *Additional paid holiday / day-off* by 50 % of respondents choosing this option as very meaningful, and *Wellness gift card* as 40 % of respondents responded this option to be very meaningful method of rewarding.

The open-ended option was chosen as very important by 50 % of the responses, and the responses related to financial rewarding. Respondents commented that cash rewards in the form of bonuses or compensation as well as an extra lump sum for the community house would be very important form of rewarding for the respondents.

However, some of the offered options were experienced as fairly important by over 50 % of the respondents. These options and their ratings are illustrated in the figure 19 together with the options that were found to be very important.
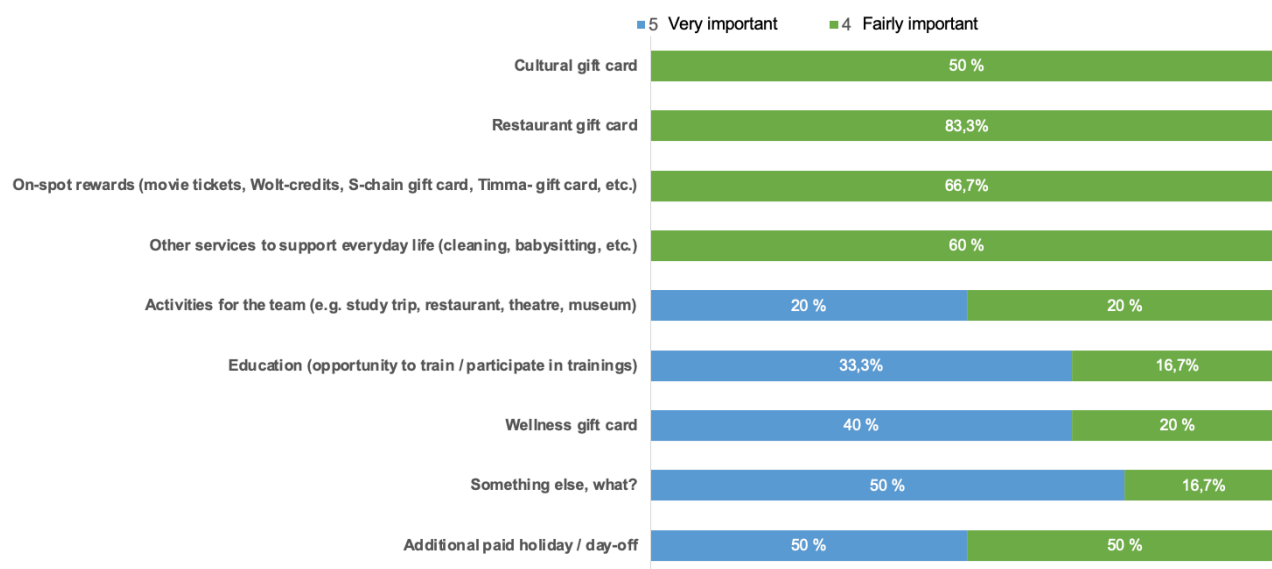

Figure 19. Comparison of options rated 4 and 5

As illustrated in the figure 19 from the 9 options offered 4 were perceived as a fairly important method of rewarding among the respondents by exceeding over 50 % of responses. Option *Activities for the team* remain below 50 % even when combining the percentage rating for options 5 very important and 4 fairly important. Therefore, the impact of this method in creating an experience of rewarding and motivation for the respondents is rather uncertain. It may be that these types of activities are considered as part of the employment relation, as the team works closely together during their work time and therefore these types of activities take place spontaneously.

Reward options *Restaurant gift card*, *On-spot rewards* and *Other services to support everyday life* were however found to be fairly important by over 50 % of the respondents. The option *Restaurant gift card* was found to be fairly important by 83,3 % of the respondents. *On-spot rewards* option was perceived as fairly important by 66,7 % of the respondents. *Other services to support everyday life* was rated as a fairly important reward method by 60% off the respondents.

The last question of the survey was an open-ended question for comments and feedback. The open-ended question received 3 responses. Summarized, in these responses the respondents mentioned that receiving feedback from their immediate manager and team has been the most meaningful and important form of reward and this could be further strengthened. One response also included development and performance reviews as an important part of receiving feedback.

The respondents also reminded that when it comes to recognition small things matter, and that the small gestures and feedback also leads to building an experience of importance.

7 Conclusions and suggestions

In this chapter the author evaluates the thesis research project against the research questions and expected outcome. Next, based on the findings, conclusions have been made, and the author suggests possible next steps the commissioning organization. Lastly, the author evaluates their learnings through the thesis work.

7.1 Assessment of research questions

The outcome of this thesis research was to strengthen the existing performance management and clarify the goal setting process for the commissioning organization's employees, and to give concrete suggestions for rewarding in the commissioning organization.

RQ1: How employees understand the goal setting for their work?

To answer the research question 1 and in order to strengthen the performance management process, the goal setting process was communicated and discussed together with the employees in a joint workshop. Based on the survey and it's results it can be perceived that the goal setting workshop has been effective, and that the employees now understand how their goals have been formed and what they consist of. The employees of the commissioning organization have been involved in the goal setting process and therefore they are familiar with what is expected of them and their roles.

This is an important aspect of the project as one of the research outcomes was to strengthen the existing performance management process in the organization, so the organization may create a successful and effective reward scheme to complete the performance management process. Understanding what is being measured is crucial for rewarding as otherwise employees won't understand what they are being rewarded of. Thus, clarifying performance management is the first step for creating a culture of performance and an effective rewards scheme.

RQ2: What is the current perception on rewarding and total rewards among the commissioning organization's employees?

RQ3: What kind of recognition and reward methods are experienced meaningful and rewarding among the commissioning organization's employees?

In order to answer the research questions 2 and 3 a questionnaire survey was conducted.

The survey indicates that the employees find the organization's current total rewards bundle to be an attractive offering, however employees have not necessarily recognized all the elements of it to

be a method of rewarding. In the survey the intangible reward methods were emphasized in the questions as these have been the main forms of rewarding in the organization, and these seem to be options that are found to be important and meaningful for the employees. Based on the survey findings, autonomy and possibilities to have an influence on the individual's role, job content and work time are perceived to be satisfying and motivating. This does not come as a surprise, as stated by Bussin (2010, 13.), individuals who choose to have a nonprofit organization as their employer find intangible rewards more motivating then tangible and financial rewards.

As a conclusion, based on these indications, this thesis research successfully answered all the research questions.

7.2   Suggestions for next steps

Regarding performance management, it could be beneficial for the organization to communicate the goal achievement and performance activities in the ongoing one-on-one dialogues between employees and managers continuously. Performance management should be communicated throughout the year, in order for the employees to identify this as a method to measure success and achievement in the organization.

Based on these results the organization's feedback processes and feedback culture should be further developed as the employees seem to find feedback as the most meaningful form of rewarding for them. This is also the most budget friendly option for the organization, as feedback does not require any financial investments to be effective. Feedback should be incorporated in the organization's operations yet given mindfully. As stated earlier, sincerity is the most important factor when recognizing people and communication impacts what is perceived fair.

Financial rewarding also emerged in the responses of the survey. Non-profit organizations are bound with a legal framework in Finland, as the tax administration regulates the pay structure within this sector, it would be important to communicate on the limitations of rewarding for the employees. In order to manage the employees' expectations related to the new reward scheme it would be recommended for the organization to communicate more about this topic. This can also impact the employees experience of fairness in a positive way if they understand that financial rewarding is limited in the organization by law. Without understanding this framework employees might experience feelings of injustice; in case they have expected that the new reward strategy would increase compensation and financial rewarding in the commissioning organization.

The results of the survey related to question 9 where employees were asked to reflect on the most relevant or motivating rewarding option for themselves should be further examined. When developing a reward scheme, it is important to keep in mind that the rewards won't be experienced equally

rewarding for all the employees, however most of the workforce should feel the reward methods offered are rewarding and satisfying in order to be effective and motivate for improved performance. Instead of one size fits all type of reward model, the commissioning organization could look into the option of creating a reward model where the employees could pick and choose the rewards that they feel are the most attractive and motivating options for them as rewards. This could further strengthen the effect of rewarding, as it may lead the employee to experience more intrinsic motivation towards achieving their goals when the reward would be significant for them.

The current narrative assessment tool to measure performance may not be sufficient when implementing a reward model. The current framework does not describe the behaviors demonstrated in each level and the goals are very difficult to assess against this criteria. The current ratings are very high level and without detailed description of behaviors very subjective and require judgment and awareness of possible unconscious biases the individual using the assessment tool may have. When defining goals for each role key results and behaviors should be agreed while setting goals. If achievement of performance goals is used as a basis for rewards and pay increases, the subjectivity of achievement and performance should be minimized. As a concrete suggestion, the commissioning organization could utilize the following while setting goals; the employee and manager could discuss *what does exceeding expectations mean for each goal* and *how does achieving goals in a way that exceeds expectations look like*. Thus, the employee would understand what kind of performance is expected from them and they could strive to meet the goals.

The organization should also further discuss if all employees achieving the goals will be rewarded or if rewarding requires a certain level of performance, behavior and competence adapted to be rewarded. In order for the organization to have an effective reward model, the organization should create a clear structure of rewarding and performance levels, by defining what is the base level that is expected of performance and achieving goals, what happens after employees have reached their goals and what kind of performance and behavior exceeds expectations.

7.3   Validity and reliability

For this thesis work a survey was used for a data collection method to understand the employees' experiences of goal setting, their understanding of the total rewards and what is considered to be a rewarding and meaningful method of rewarding. Related to the surveys, it is important to assess the internal validity of the survey. This means that the questions ability to answer and measure the topics they intend to examine should be assessed. However, it is difficult to evaluate the validity of the questions before conducting the survey, therefore the validity can be assessed by the content. The questions can be formed in a manner that they are comprehensive related to the topic and assessed by peers. (Saunders & al. 2019, 517) The commissioning organization assessed the

questions of the survey together with the author in order to ensure that the questions were essential and valid for the survey. The author acknowledges that the framing of the question could have been improved, as the question may have left room for interpretation or been unclear for some of the respondents.

Reliability of a research means that the research leads to same results consistently, and the reliability can be assessed for example through test retesting, internal consistency and alternative form. (Saunders & al. 2019, 517) Since the research examined individual's experiences of rewarding and motivation, these are subjective experiences and may be influenced by external factors such as workload and job satisfaction and may relate to their experiences and feelings during that time period. Therefore, the results and findings of the study are reliable evidence of perceptions in the current time frame of the study, but it is possible that the results may vary over time.

7.4   Self-evaluation

During the thesis project the author was able to build a better understanding of the role of human resources function in organizations, and how performance management and reward management processes should never be solely human resources professional's driven processes. In order to create effective processes and frameworks within organizations, they should be designed to support the organization's strategy, and to be successful they require the support and alignment from the management. Furthermore, the role of human resources professionals' impact on building and supporting the organizational culture should be recognized, as developing processes from a human centric approach can lead to more motivated workforce that drive the organization's success.

This thesis research project allowed the author to gain more comprehensive knowledge on the concepts of performance management and reward management, and how these topics could be developed and assessed in organizations. The topic for this thesis research was initiated by the commissioning organization's management, and the intention was to further strengthen employees' motivation and wellbeing in the organization by ensuring that they feel satisfied of the total rewards bundle offered by the commissioning organization. However, as the thesis project progressed, the author understood that the need to develop the total rewards should have been apparent to the employees in the organization as well - a change for the sake of change could also be counterproductive.

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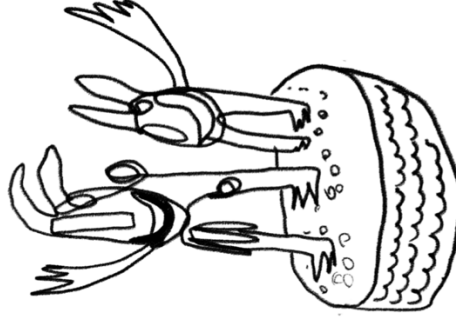# Appendices

Appendix 1. Performance evaluation ratings

Appendix 2. Survey for employees

Appendix 1.

Rating

- Current role: Well, it's your role 😎

- Rating: This is a subjective assessment done by your supervisor.

- Exceeds Expectations: If you get this, you're an absolute superstar and are going above and beyond of what is expected of you.

- Meets All Expectations: This is the most common rating and means that you're doing exactly what and how you're supposed to be doing in your current role. Well done!

- Meets Some Expectations: If you get this, there are some areas where you're not performing as expected. This rating should not come as a surprise and you should know what those areas are and have a clear development plan based on your discussions with your supervisor.

- Doesn't Meet Any Expectations: Sometimes your role or the organization develop in a direction that is not what you expected when you started working here, the timing for your role or profile might be wrong or we're just not a good match. Reserve enough time to have an in-depth discussion with your supervisor on the next steps.

Appendix 2.

Palkitseminen Me-säätiöllä

1. Mistä tiedät työsi tavoitteet?

2. Mistä tavoitteesi muodostuvat?

3. Mistä tiedät onnistuneesi työssäsi hyvin tai huonosti?

4. Mitkä ovat sinulle tärkeimmät työhön liittyvät motivaattorit?

5. Mitä tapahtuu, kun onnistut työssäsi hyvin?

6. Millä tavoin Me-säätiöllä mielestäsi palkitaan työntekijöitä?

7. Kuinka merkityksellisinä koet nykyiset palkitsemistavat ja työsuhde-edut?
   1 Ei lainkaan tärkeä, 2 Ei kovin tärkeä, 3 Neutraali, 4 Melko tärkeä, 5 Erittäin tärkeä

	1	2	3	4	5
Vakituinen työsuhde					
Kilpailukykyinen palkkaus					
Laaja työterveys					
Loisto-työkykyvakuutus					
Lounas-etu					
Virike-setelit					
Toimitilat (Meltsi ja Korkkari)					
Työpaikalla tarjolla olevat välipalat ja kahvi					
Työvälineet (läppäri, puhelin yms.)					
Tiimin yhteinen virkistäytyminen					
Korkkarin yhteinen virkistäytyminen					
Jotain muuta, mitä?					

8. Kuinka motivoivina koet nykyiset kannustintavat?

   1 Ei lainkaan tärkeä, 2 Ei kovin tärkeä, 3 Neutraali, 4 Melko tärkeä, 5 Erittäin tärkeä

	1	2	3	4	5
Monialainen työyhteisö					
Mahdollisuus vaikuttaa oman työn sisältöön					
Mahdollisuus vaikuttaa työaikoihin					
Työnohjaus					
Mahdollisuus kehittyä työssä					
Mahdollisuus kouluttautua työn ohessa					
Esihenkilöiltä saatu kannustava palaute					
Tiimin kannustava palaute					
Yhteisön kannustava palaute					
Jotain muuta, mitä?					

9. Mikä alla olevista palkitsemismuodoista olisi sinulle merkityksellisin/motivoivin?

   1 Ei lainkaan tärkeä, 2 Ei kovin tärkeä, 3 Neutraali, 4 Melko tärkeä, 5 Erittäin tärkeä

	1	2	3	4	5
Ylimääräinen palkallinen vapaapäivä					
Hyvinvointilahjakortti					
Koulutus (mahdollisuus kouluttau-tua/osallistua koulutukseen)					
Vapaa-aikaa helpottavat palvelut (sii-vous, lastenhoito tms.)					
Pikapalkitseminen (leffaliput, Wolt-kre-diitit, S-ketjun lahjakortti, Timma-lahja-kortti tms.)					
Koko tiimin yhteinen tekeminen (esim. opintomatka, ravintola, teatteri, museo)					
Ravintolalahjakortti					
Kulttuurilahjakortti					
Jotain muuta, mitä?					
Ylimääräinen palkallinen vapaapäivä					

10. Avoin palaute ja kommentit?