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# HR'S AND HERZBERG'S OPINION ON DIFFERENT FACTORS MOTIVATING PEOPLE

– Will Herzberg's motivators rule over the hygiene factors?



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The purpose of this thesis and its' research was to find out what are the key motivation factors among employees in different industries and what factors managers should concentrate on. A public survey was made and the results were compared to Frederick Herzberg's two-factor theory. Also a questionnaire made by WorldatWork institution and a consulting company called Watson Wyatt was used in small matters to support the findings and connections with Herzberg's theory.

I chose my thesis topic from the field of human resource management because of my own interest towards it and the hope of finding results for the question to what motivates employees to give their best shot and what are the most motivating ones in work life. I wanted to research what are the key motivators and if money is the purpose of the work made. I chose to use the two-factor theory of Frederick Herzberg because of my own interest towards it. It is compared to my survey results regarding job satisfaction and key instigators in motivation among employees from totally different industries. I picked up Herzberg's theory because of the statement how money is not the main motivator in work environments and how the best ways to motivate employees is to provide feedback and challenges.

I made a public survey using quantitative research method to find out what are the key instigators among employees from various kinds of industries and which factors effect on when searching for a new job or committing to the old work place. Additionally I used a questionnaire I found on an article to support my own findings.

## KEYWORDS:

Human resource management, employee motivation factors, Herzberg's two-factor theory, motivation

#### OPINNÄYTETYÖ (AMK) | TIIVISTELMÄ TURUN AMMATTIKORKEAKOULU

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Opinnäytetyön tarkoitus on etsiä vastausta kysymykseen, jota on pohdittu vuosisatoja: onko raha ainut asia, joka työssä motivoi vai kaipaako se rinnalleen myös tunnustusta sekä posiitivista palautetta. Idea työhön lähti omasta kiinnostuksestani henkilöstöhallintaan sekä erilaisiin motivaatioon vaikuttavien tekijöiden tulkintaan sekä etsintään.

Tutkimuksen tukena käytettiin Fredrick Herzbergin kaksifaktoriteoriaa. Teoriaa verrattiin saatuihin julkisen kyselyn tutkimuksiin sekä WorldatWorkin ja henkilöstöalan konsultaatiofirma Watson Wyattin laatimaan kyselyyn vuodelta 2006-2007. Herzbergin kaksifaktoriteoria valitiin apuvälineeksi väittämän perusteella, että paras työntekijöitä motivoiva keino on asettaa ja tarjota haasteita niin henkilökohtaisella kuin organisaation tasolla. Myös niin positiivisen kuin rakentavan palautteen hyväksymä ilmapiiri auttaa organisaatioita kasvamaan, sillä työntekijöiden työhyvinvointi kasvaa ja samalla kasvattaa myös motivaatiota. Herzberg väittääkin ettei raha motivoi ihmisiä tekemään työtä tehokkaammin ja paremmin.

Datan keruussa käytettiin kvantitatiivista eli määrällistä tutkimusta, jolla pyrittiin löytämään ne parhaiten motivoivat tekijät nykyajan nuorten ihmisten keskuudessa sekä kuinka suuri valta rahalla on työympäristössä oikeasti on. Analyysissa verrattiin Herzbergin kahta tutkimuksen osaa, jotka ovat työtyytyväis- ja työtyytymättömyystekijöihin.

#### ASIASANAT:

Henkilöstöjohtaminen, motivaatiotekijät, Herzbergin kaksifaktoriteoria,

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# LIST OF ABBREVIATIONS (OR) SYMBOLS

HR Human Resources

HRM Human Resource Management

IT Information Technology

# 1 INTRODUCTION

#### 1.1 Structure of the thesis

The thesis starts with theoretical framework which shortly describes human resource management as a science and as a field of work. It also explains the different types of rewards and the theory behind Frederick Herzberg. HR is additionally viewed from the side of companies as well and why it is important for them to invest money and time in it and of course, why is it needed at the first place. There are many theories in the field of HR but the one concept that was picked out is Frederick Herzberg's two-factor theory because of its' relevancy to survey results and state of interest of the author.

The second chapter includes methodology and analysis of the research made with an online questionnaire and survey made by an institution called WorldatWork and an HR consulting firm called Watson Wyatt. The online survey is the primary data that has been used when comparing Herzberg's theory and the results on where does hygiene and motivator factors stand in comparison with each other. Secondary data used is the other survey but it plays a very small part in this thesis. It is referred because of its' support for the findings in the online questionnaire.

The third part includes conclusion and suggestions for further study and practical examples for managers. Additionally the errors that occurred in the making of research analysis are also shortly described and explained to the reader.

# 1.2 Objectives

The first and most important objective for this thesis were to find out through a survey made for all to answer, is salary the most motivating factor in a job, and what are the other motivating factors that with wage would lead to high performance. Herzberg's hygiene and motivator factors were compared and

part of the first objective was also to know if there is a clear distinction between them. Additionally an employee satisfaction survey made by WorldatWork institution and a HR consulting firm Watson Wyatt was used as a secondary data in research analysis because of its relevancy and connections with the results got from the survey made particularly for this thesis.

Secondly the purpose was to explore the similarities seen between the theory of Frederick Herzberg who claims simply that pay is not the most motivating factor with the gained results from both of the surveys, the writer's own and the one made by WorldatWork with Watson Wyatt. The findings got from the research analysis were collected and simply put in advice on what managers and companies should look into when trying to figure out what could motivate the employees.

Third objective was to give suggestions to managers when thinking about the company's motivation strategy and how to get the needed results efficiently. There was no possibility to take any particular industry into closer look because the respondents of the online survey made were students and workers from various kinds of industries.

This thesis seeks answers to the next questions:

- 1. What is the relationship between salary and recognition as motivation factors?
- 2. Which motivation elements would satisfy people in their current state in work/life?
- 3. What factors of motivation should managers take into consideration when trying to get results through employees?

# 2 THEORETICAL FRAMEWORK

# 2.1 Human resource management

## 2.1.1 Why is HRM needed?

Why is human resource management needed in different work environments? Gary Dessler makes it very clear. The main reason HRM is practiced is to avoid various kinds of mistakes which can lead to for example profit loss and losing reputation and status among customers or within the industry. These inaccuracies, according to Dessler, can be hiring the wrong person for the job, experiencing high employee turnover, having employees not doing their best in the work place and wasting time with useless interviews. More serious mistakes that can occur by the lack of HRM are having one's company taken to court because of discriminatory actions or having the company cited under federal occupational safety laws for unsafe practices. Additionally having employees thinking their salaries are unfair relative to others working in the same company can cause huge decrease in motivation levels. In addition Dessler states that allowing a lack of training to undermine specific department's effectiveness or committing any unfair labor practices are also mistakes that can be avoided with good human resource management. (Dessler et al. 2013, p.31)

Another reason why HRM is one of the most important fields within different sizes of organizations is, according to Dessler, the way effective human resource management can help ensure that companies get results through people. He still reminds of the important fact that as a manager one can do everything right, for example by making brilliant strategies and action plans, draw clear organization charts, set up outstanding assembly lines as well as use sophisticated accounting controls but still there lies a possibility of failure. If one hires the wrong people or do not properly motivate the subordinates, the results are not what were expected. (Dessler et al. 2013, p.31)

Furthermore, a good sample of why HRM is leading the way towards successful business is Dessler's example of the people behind different presidents, generals, governors and supervisors. How insufficient plans or controls they have made in the past have still have been successful because of the ability of hiring the right people for the right jobs, skills of motivating, appraising and continually enhancing these skillsets. (Dessler et al. 2013, p.31)

Why is Human resource management so important in nowadays working environments? Writer's own opinion on why companies should focus on good HRM is because it does not cost a fortune for the organization to enhance it. There are very simple ways to increase the motivation levels of employees for example organizing a party for everybody to enjoy or some other special event. The crucial thing is that the manager has to get all join from their own willingness and not because they have to. If it feels obligatory to do, it has not done the right job.

Human resource management is additionally a huge part of the success of the firm. When the personnel feel themselves appreciated, recognized for a job well done, and they are brought together for group activities, the satisfaction levels increases and the work itself feels like it is worth all the hours spend at work. The company will benefit from satisfied employees much more than negative people working for them. Negativity is a state of mind which will spread out among other workers quickly.

#### 2.1.2 Where is HRM used

Human resource management as a field of study is very wide and includes huge amount of different views. It includes various kinds of practices. The main purposes and activities of human resource management according to Foot and Hook (2002) are recruitment and selection, training and development, human resource planning, evaluating performance of personnel, employee counseling and welfare, payment and reward of employees, health and safety, disciplining individuals, dealing with objections, dismissal, unemployment, negotiation and encouragement involvement as well as provision of contracts, fair treatment and

equal opportunities. The purposes are more specific than activities because of their nature of finding the most suitable solution for different situations such as finding and placing the right person with needed skills and knowledge for the right job. Other practical examples of HR purposes are fighting against unemployment during employer-employee negotiations by offering other job positions inside the company, providing training for getting more professional staff and same time giving one a possibility to grow in the job, and look simultaneously factors that lead to high job satisfaction levels among the personnel. (Foot & Hook et al. 2002, p. 3)



Picture 1. Human Resource Management strategy (Business case studies 2014)

Dessler (2013, p.30) states that managing involves five different functions which represent the management progression: planning, organizing, staffing, leading, and controlling. These Dessler's functions can be compared to the business objectives shown in picture 1. These objectives are part of strategic human resource management. To work properly these functions have to include specific activities such as:

 Workforce planning: launching goals and standards which include developing rules, plans and specific predictions for the future. Additionally identification of the number of jobs vacant or the need of reducing staff and how to deal with these two situations are part of efficient planning process. Job analysis design holds an important role in the process as well. It gives a detailed explanation about every job vacancy in the company and what needs to be done to fulfill these occupations. Additionally managers have to identify as a part of job analysis design the specific skills and abilities that are needed in the vacant jobs. (Dessler et al. 2013, p.30)

- Organizing: giving specific tasks for each subordinate with or without the
  responsibility and authority; creating departments and channels of
  authority and communication. Additionally coordinating subordinates'
  work is part of a good organizing. (Dessler et al. 2013, p.30) This
  function is a strategic part of efficient and good quality supervision which
  was found being one of the top 5 motivating factors in the implemented
  online questionnaire.
- Staffing: first making the decision what type of people you should hire and selecting the proper employee for the open job position. The next steps are training and developing the new workforce and setting the standards for performance. Evaluating performance, counseling and rewarding employees comes at last. Based on the appraisal of performance future compensations, incentives, rises in salary are decided by the employer. Additionally different kinds of training and developing programs offered for the new and existing staff are the one area companies spoil a lot of money. (Dessler et al. 2013, p.30) This function sums up few of the crucial part of strategic human resource management: recruitment and selection, training and development, and appraisal. These three functions will ultimately lead to high performance of the employees.

- Leading: managing workforce by getting the job done with different motivating tools while keeping morale as well. Motivation among other factors, such as safety and health issues, tolerate the number of employees in the company and complete them to commit to the firm as well. (Dessler et al. 2013, p.30)
- Controlling: setting criteria for the job such as sales quotas, quality standards, or production levels. Additionally examine how actual performance compares with these set standards and taking corrective action if needed. (Dessler et al. 2013, p.30)

When Dessler's five functions and objectives of strategic human resource management's shown in picture 1 are combined and used in getting excellent results, it would lead to having a well-qualified and motivated staff. High performance among employees is gained, when all the purposes of each step are accomplished.

Dessler's statements are one view of the subject and one can find other important areas in HRM stated by Foot and Hook. Industrial relations, compensation planning and remuneration as well orientation and development programs hold a relevant role as well. After the employees have been selected orientation program is conducted with the purpose of inform them about the background of the company, organizational culture, values and work ethics for example. Compensation planning on the other hand has various rules which have to be taken into consideration but usually it is just the company's HR department who handles these kinds of tasks. The last area in HRM is industrial relations which include maintaining co-ordinal relations with the different union members which help organizations prevent employee strikes and ensure stable working conditions in the firm. (Foot & Hook et al. 2002, pp.5-7)

#### 2.2 Different rewards

The motivation factors, indirect and nonmonetary rewards, such as flexible work hours and time off from work, are an important part of every employee's benefits and a big part of the continuing of employment in the same company. (Hills, Bergmann & Scarpello 1994, p.424)

Referring to Dessler, rewarding employees include all different forms of pay going to the personnel and ascending from their employment. The two main components are: direct financial payments such as wages, salaries, incentives, commissions, bonuses; and indirect financial payments including benefits such as employer-paid insurance and holidays. (Dessler 2013, p.378)

#### 2.2.1 Intrinsic rewards

There are many different definitions for, what intrinsic rewards are. Usual definition is that they answer people's deep-rooted need for growth and achievement. Kenneth Thomas describes how on the contrary to extrinsic rewards, intrinsic benefits are psychological ones that employees get from doing significant work and performing it well. (Thomas et al. 2009) Employees getting a feeling of gained responsibility after a done job and acknowledgement after a job well done are good examples of the psychological benefits in the working environment.

Robert Tanner says it straight away as well: intrinsic rewards are a critical part of any employment engagement effort and his opinion is that too many managers rely on the effect of extrinsic ones in person's motivation. Tanner states additionally that employees need to receive value for the work done and that intrinsic benefits are actually more important in motivating than money and other financial benefits. (Tanner et al. 2014)

Why? Most of us are motivated by intrinsic rewards: interesting, challenging work, and the opportunity to achieve and grow into greater responsibility.

Good, practical examples of intrinsic rewards:

- Active looking for opportunities to give members of staff positive feedback so the employees get acknowledgment from performing well at the job.
- "Praise in public, correct in private". When problems occur in employee's
  performance, respecting ones pride whilst coaching and having a twoway discussion regarding the issues gives the personnel a supportive
  boss who helps and wants to get them to succeed.
- Including workforce in operational decision-making and asking them for their opinions gives them the feeling of having more responsibility and an influence over how departmental work is actually implemented.
- 4. The more autonomy is given to workforce more motivated they are going to be because they lose the feeling of being watched all the time. Situations like these, when one has demonstrated ones abilities and desires to perform a good, fine job, allowing room for various ways of concluding the job, leads to a trustworthy partnership between managers and the personnel.
- 5. Attempts to recruit and place right persons for a job that best supports their skills, talents, interests, is looking for what they can actually do and leaving the notifications of mistakes and not filling the job descriptions characteristics. The motivation levels get much higher when employees have challenging work that suits with their special skills and interests. (Tanner et al. 2014)

#### 2.2.2 Extrinsic rewards

The simplest way to describe extrinsic rewards is to say they are usually financial benefits for personnel such as incentives, promotions, better pay; or

perks like improved working conditions, gained status through a certain job task, feeling of safety and security in one's job.

Kenneth Thomas defines extrinsic rewards as the tangible payments given to employees by managers, such as bonuses, pay raises, and different benefits, usually financial. The reason they are called "extrinsic" is because they are external to the work itself, and other people, employers and management, control the size of the possible rewards and whether or not these perks are granted for an individual employee or the whole personnel. (Thomas et al. 2009)

Thomas refers in his article on the dominant role that extrinsic rewards had in earlier eras, when basic work was more routine and administrative. Few intrinsic rewards were offered to the workers but financial incentives were the most often used tools in organizations for motivating employees. In today's workplaces extrinsic rewards hold a significant role among personnel. As Thomas states, pay is an essential consideration for most workers when looking for a job and thinking about accepting it, vice versa to the fact that unfair pay can be a strong de-motivator. Thomas still however clears out that after accepting a job and issues regarding possible unfairness (Thomas et al. 2009)

#### 2.2.3 Motivation and compensation

Gary Dessler states that the simplest way to motivate people is also the best: set achievable goals and be sure the employees agree with them. Dessler's opinion is that it makes no sense to try motivating workforce with different financial incentives, such as bonuses or promotions, if the staff members have absolutely no knowledge or idea, what their set goals are or they are not in any agreement with them. He also refers to discoveries made by psychologist Edwin Locke who found out through a survey on how challenging goals lead to higher task performance before specific, unchallenging goals, or no goals at all. (Dessler 2013, p.425)

Second point regarding motivation that Dessler states, is the importance of recognizing employees' input as a very powerful motivation tool for a company. Theories of Abraham Maslow and Frederick Herzberg show and support the positive impact of recognition, social recognition such as compliments as well, to employee's performance with or without different financial rewards. These recognitions can be organized events, training and development programs, various benefits concerning work and life, travels in work groups or individually and different certificates such as employee of the month. (Dessler 2013, p.425)

On the other hand, Bob Nelson shows how many various ways there is to get the workforce motivated and that the salary is not the one and only key factor in motivating employees to work more efficiently and commit to the company they are working at the moment. These other incentives can be challenging work assignments, freedom to choose own work activity, having fun built into the work, more of desired tasks, role as boss's stand in when he or she is absence, role in presentations on top management, job rotation, encouragement of learning and continuous improvement, recognition and compliments, expression of appreciation in front of others, better working conditions for example bigger desk or office and special recommendations. Additionally being provided with full encouragement and allowed to set own, individual goals for the work itself have a positive effect on the motivation levels of the specific employee. (Nelson et al. 2005, p.19)

There is no easy way to change someone's motivation because it can be in different levels on each work day. On Monday employee can be highly motivated because simply it is the first day of the week but by the beginning of Wednesday the same person can be feeling that the job is not offering for her anything. In these situations constructive feedback would be desired by the employee. (Kupias, Peltola & Saloranta et al. 2011, p.175)

The factors behind motivation and satisfaction are different in kind from the ones that make employees dissatisfies. Herzberg describes how workers will always be talking about the annoying boss, low wage, uncomfortable working environment, or manager's irritating rules. He also refers on how brilliant a

manager can be it still does not mean that people are working more efficient or smarter. Interesting work, different challenges and increasing responsibility are the actual ones that will and do motivate personnel according to Herzberg. (Herzberg 2002, p.2)

#### 2.3 Motivation theories

Several motivation theories have particular relevance to designing incentive plans. These include theories associated with the psychologists Abraham Maslow, Frederick Herzberg, Edward Deci, Victor Vroom, and B.F. Skinner. From these five theories Frederick Herzberg's two-factor theory was selected because of writer's personal interest towards it and because of its' relevancy with survey made regarding different motivator factors among working people.

## 2.3.1 Frederick Herzberg's two-factor theory

Frederick Herzberg's theory's core issue is that the best way to motivate a person is to establish the job so that it offers the challenges and the feedback that helps to satisfy the employee's so called higher-level needs for things such as success and acknowledgement. According to this theory salary is not the most motivating tool. (Dessler 2013, p.419)

Herzberg states how motivation does not come from benefits, promotions or pay despite the attention media has given them. His opinion of these extrinsic incentives is that they may encourage people to "put their noses to the grindstone" but most likely just for as long as it takes to get the next promotion or increase in salary. The truth according to Herzberg is how companies have limited power in motivating employees but of course unfair payments will harm morale. The two-factor theory additionally believes in the statement that it does not matter how big paychecks or other financial benefits managers provide for personnel, people won't automatically work harder or smarter because most of the work force are motivated by intrinsic factors. (Herzberg et al. 2002, p.1)



Picture 2. Frederick Herzberg's two-factor theory (Dudovskiy 2013)

This two-factor theory is divided into two parts: hygiene and motivator factors. The basic reason for this kind of dividing is that Herzberg believed that the ones causing satisfaction are different from those causing dissatisfaction and by this believe they cannot be compared and treated to one and another.

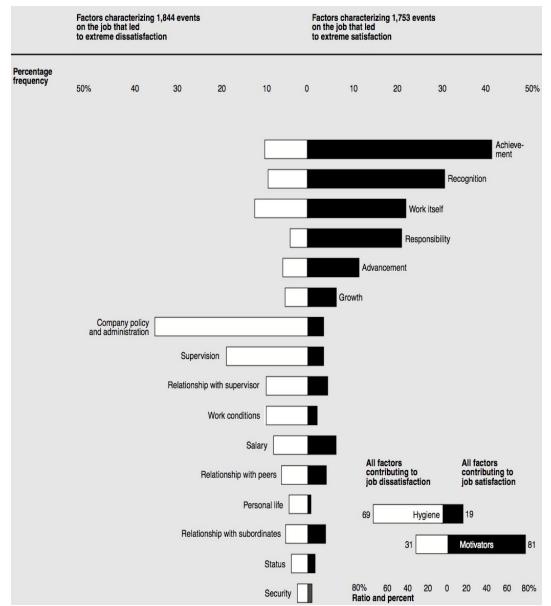
Dessler explains how Herzberg's theory by satisfying the so called "lower-level needs", such as better salary or working environment, just keeps the employee from becoming dissatisfied in ones work. On the contrary, the hygiene factors that are meant to satisfy lower-level wants are different from the motivator factors that desire to satisfy higher-level need such as personal fulfillment. But if these lower-level needs are exclusive from the job itself for example salary is insufficient, of course personnel become dissatisfied. Although, including more of the hygiene features to the work itself, which Herzberg calls as extrinsic motivation, is a lower way of trying to motivate a person because of the easy satisfaction of lower-level needs. Soon the employee desires for more. (Dessler et al. 2013, pp.419-420)

Dessler refers to Herzberg's saying as, how supervisors interested in creating more self-motivated environment should underline job content or the motivator elements. The way to offer enrichment is, according to Dessler and Herzberg, to offer job tasks that are more challenging which additionally gives more responsibility for the one doing it. Other important factors that managers should provide are recognition and feedback which make the doing of a certain job naturally more motivating. Conclusion is how intrinsic motivation is the one that develops from the pleasure a person gets from actually doing the work and is coming from within the person and not just boss's orders or because of an implemented financial plan which are external motivators. Dessler states how the theory of Herzberg's makes the one good point that just relying exclusively on financial benefits is a risky business. (Dessler et al. 2013, p. 419-420)

# 2.3.2 Job enrichment by Herzberg

Job enrichment is not an easy task according to Herzberg and he shows various ways of how to get personnel charge themselves up for the job. He speaks for enrichment which can be applied by various kinds of "tactics" such as increasing an employee's liability for their work done by taking down some controls, giving full responsibility for a complete division or a practice, making information more available directly for the labor instead of recycling it through their supervisors first, enabling to take new and more difficult jobs than before, and by giving specialized tasks that allows one to become an expert of the specific working field. (Herzberg et al. 2002, p.1)

Dessler refers to Herzberg on how job enrichment is the best tool to motivate employees because it increases the opportunities for the employee to experience feelings of more gained responsibility, achievement, growth, and recognition. Additionally empowered people according to Herzberg will do their jobs well because they wanted to which increases the quality and productivity of the work itself. (Dessler et al. 2013. p.135)



Picture 3. Factors affecting job attitudes as reported in 12 investigations (Herzberg 2002)

Herzberg states how in attempting to enrich specific jobs, the management very often diminishes the personal input of work force rather than allowing them opportunities for growth in their familiarized tasks. Herzberg advices the management with different types of action which could enrich the employees work routines. They should challenge the person working with increased amount of expected production. Another tip from Herzberg is that managers should add other meaningless tasks to the present one for example a daily office routine and count on job rotation with the tasks of the jobs needing to be

improved. The last advice is to remove the most challenging parts of the assignment in order to free the employee to achieve more of the less difficult tasks. (Herzberg et al. 2002, pp.7-8)

# 3 METHODOLOGY

#### 3.1 Data collection

The data collection process started in the early summer of 2014 with different thoughts regarding which type of surveys would be suitable to do or use. There were a possibility to enter an employee satisfaction survey made in the financial industry but it became very difficult when the time flied over the months. A thought of making a new questionnaire including some of the same questions used in the employee satisfaction survey occurred and permission was also asked. No answer or permission was given which lead to implementing totally new survey. In the beginning of August an online questionnaire was conducted by the writer for all people to answer via social media, Facebook, and through Turku University of Applied Sciences e-mail.

In Facebook the survey reached 510 people from different age groups, industries, and field of studies. There were people from different life situations such as married couples with children and singles living by their own (this is known because the target people are friends of the writer). By e-mail it was sent to 53 classes from 2009 to 2014 including students of International Business, IT, and adult education. The total and precise amount of recipients is hard to know because the average number of students in one class can range between 10 to 40 and some of the classes have had a loss of students over the year or so because of graduated pupils, for example the groups that have started their studies in the years of 2009, 2010, and 2011. This leads to the difficulty of knowing the exact number of the people that the survey reached; it can be something from 500 to 1000.

The survey was open from 12<sup>th</sup> of August till 31<sup>st</sup> of August and got 130 respondents from the ages between 16 to over 36. There were not any specific outlines which decreases the reliability of the survey conducted. A reminder note to answer was sent in 24<sup>th</sup> of August in order to get more answers but only few came.

#### 3.1.1 Quantitative method

The main difference between quantitative and qualitative research methods and approach according to Ghauni and Gronhaug is the reflection of various perspectives on knowledge and the objectives of the research. Additionally qualitative method gives only data concerning specific cases studied, when quantitative verifies from different hypotheses the true ones. (Ghauri & Gronhaug. 2005 pp. 109-110)

The research method that was used in this online survey was quantitative method because of its simplicity to get respondents' opinions on specific views regarding motivation factors.

In the online survey made for this thesis, quantitative method was used to find out motivating factors among nowadays adolescents. Quantitative research questions used were for example the gender of the respondent, and which of the given options were motivating at their work or in their studies. The main objective of the questionnaire made was to look for an answer to the eternity question: is salary the most motivating tool that organizations and managers can use in their benefit.

#### 3.1.2 Primary data

The primary data used in this thesis is obtained by the researcher through an online survey. It gives more updated information regarding the motivational elements used in comparison with Herzberg's two-factor theory. Primary data usually costs more than secondary data because it has to be implemented by the organization or in this case, the author itself. In this thesis a free online survey tool was used which did not bring any additional costs.

## 3.1.3 Secondary data

Secondary data used in this thesis is a survey made by WorldatWork institution with consulting firm called Watson Wyatt in the years of 2006 and 2007. It was published in their article called *Aligning rewards – with the changing* 

employment deal. The Strategic Rewards -survey was used in the research analysis because the results are in disagreement with the statement Frederick Herzberg has made in his two-factor theory, just like the gained results from the online questionnaire. It also provides more reliable data regarding different motivation factors because of the sample. Their basic outline was that the organizations should have a minimum of 1,000 employees working for them but the industry or geographic of the company did not matter. The survey reached 262 U.S firms with nearly 5 million employees and got national representative sample of more than 1,100 employees. These workers were also divided into two different categories, low- or high-commitment employees, based on their commitment to the companies. The commitment was determined with three statements: staying in the current job even though similar job would be vacant in other company, overall opinion on how the company treats its' staff compared to other firms in the same industry, and the overall satisfaction level. (WorldatWork 2006/2007)

# 3.1.4 Sampling

There are two different sampling methods which are classified as probability and nonprobability ones. The key difference between these two classifications is the selection of the sample. In nonprobability sampling the members are selected with very specific characteristics which all of the chosen members have. On the contrary, probability sampling choses the members very randomly from the population and there is not any specific standards that have to be fulfilled. (StatPac. 2014).

In the online questionnaire made there were no specific guidelines or demands that would have been necessary to fulfill to be able to answer it. It was a public survey because the main purpose was to reach out as many respondents as possible. The sample that was gained did not fully achieve the purposes of the questionnaire because of the low number of respondents. 130 people filled the survey when almost 1500 members were reached which makes the answering percentage only 8.6%.

# 4 RESEARCH ANALYSIS

#### 4.1 Introduction

An online survey was implemented with an objective of finding out what factors would actually motivate nowadays adolescents working in different environments and various industries. The results of the questionnaire are presented in different figures and tables got from the answers of the sample. The respondents were in the process of any of the following categories: searching for a new job, currently working in some company, or studying fulltime at the time of data collection.

Majority of the respondents in the survey were men with a percentage of 54.62% leaving women with a share of 45.38%. It was expected because of the industries mentioned in the questionnaire were, by common assumptions, very high with the numbers of men working there. Information Technology and generally business as an industry were the two major working or studying environments that came up among the respondents. From 130 people 47 were working or studying at the current period in the field of business internationally or domestically and 35 of them were in the field of IT. Other industries by number of the respondents were administrative with fourteen, electronics with eight, financing and accounting with seven, and others such as retail, logistics, healthcare, travel and food industry, army, law and engineering with a total of twelve answers. This lead to the inconvenience regarding the sample which does not give any hard core facts regarding the motivation factors because of the heterogeneousness of the respondents.

To find more accurate data from the results different ways was put into thought. The answers were investigated at an individual level with the purpose of finding similarities with the respondents working or studying in the same industry. For example it was looked closely if the people from the IT would clearly have chosen the same options and salary as the main motivator or if people working in different administrative jobs would agree on some other options. This

investigation on individuals did not give any specific or exact data regarding if people working for a certain industry would find same factors motivating or money would rule some industry's respondents' answers totally.

The age distribution of the respondents is shown below in figure 1 and it shows how 72% of the respondents were from the age group between 21 to 25 years old. Possibility that most of them are fulltime students at the answering moment is huge, which is not a very good example of the working population. In the individual investigation explained above, age was part of the factors explored through it. The results were same as looked through by the industries: age was not common reason to choose pay as the most motivating one.

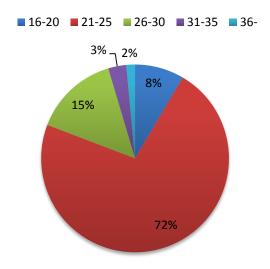


Figure 1. The age distribution

Majority of the respondents felt themselves motivated at their current positions at work or in their studies. 19% of the sample did not feel motivated at all but still there were no clear outline individually that would have connected the low motivation levels to the respondents' interest of searching for a new job or the industry they were working for. Additionally individual research did not support the common assumption that not motivated persons would only desire more money for the job done. There were no data which would have linked salary

being the most motivating factor for those with low motivation level. Although the online survey's overall outcome was that salary being the most common answer, still Herzberg's motivator factors such as responsibility and possibility for personal growth with challenging and variable work tasks were the next ones in line.

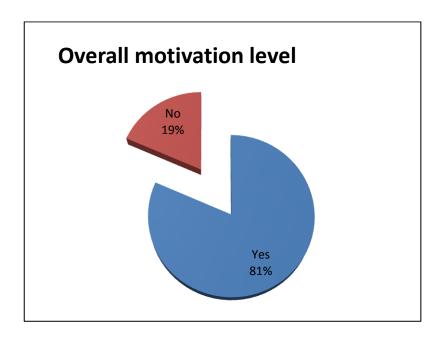


Figure 2. Overall motivation level among the respondents

#### 4.2 Hygiene factors VS motivators

Herzberg's theory's main point is the statement of how pay is not the most important and motivating tool among employees in their work. Instead achievement, recognition and the work itself with responsibilities and challenges are the ones that would create high motivation and satisfaction among recruits. Additionally these factors would be the ones that employees desire from their managers. These so called "motivators" would in Herzberg's opinion beat the hygiene factors which lead only to general satisfaction and would prevent dissatisfaction.

Although the sample of the online questionnaire is not in the same frame as the sample Herzberg used in his own investigations regarding employee motivation,

the split between motivators and hygiene factors can still be found. Recognition, responsibilities and challenges, as well as opportunities of advancement were in top of the factors that would motivate the respondents of the survey made.

WorldatWork and Watson Wyatt have already shown in their survey made between the years of 2006/2007 and published in article Aligning rewards – with the changing employment deal the main reason why top performing employees leave organizations: salary. This is totally opposite with Herzberg's two-factor theory's basic statement. In other words, the top motivation factors to get personnel to commit for a one and only company and get long-term employees is to offer competitive pay for the job done according to WorldatWork and Watson Wyatt. The study showed perspectives of employer, low-commitment top performers, high-commitment top performers and all top performers together which were collected from a total of 262 U.S organizations with a minimum of 1,000 employees. It reached nearly 5 million employees and got sample of more than 1,100 workers all around the U.S. The categorization was made with three basic research question based on the employees' commitment for the current company they were working for. The individual answers were united into numeric score and divided into quartiles. People positioned on the top quartile were considered as high commitment employees when the ones situated in the bottom had low commitment. The commitment was determined with three statements: staying in the current job even though similar job would be vacant in other company, overall opinion on how the company treats its' staff compared to other firms in the same industry, and the overall satisfaction level. Figure 1 shows the total results of the questionnaire and one can see how much the view of an employer can differ from view of an employee regarding various issues. (WorldatWork 2006/2007)

Almost same results as WorldatWork and Watson Wyatt came out with their investigation can be found in the survey made for this thesis with a random sample of people with age distribution from 16 to over 36. The overview of the results was that salary is the most motivating factor either in the process of searching for a job or in the current job. Because the sample had 72% from the

ages between 21 and 25, it is quite obvious that wage became one of the top motivators. In my opinion it is a consequence of the fact that most of the respondents can be fulltime students, which means clearly that money is the one taking over acknowledgment as a motivator. Most of students are working beside their studies because of the need of money. They usually also work as a part-time workers which means they have just few hours in a week and are evening shifts when the managers are not even probably working anymore. This means that possible achieved recognition is not even on their minds but instead if they would work daily with more hours, the need of few "thank yous" for job well done would be more desired.

Salary was clearly put in the first place in the online questionnaire as well as in the survey made by WorldatWork and Watson Wyatt. There were eleven other features presented in the questionnaire implemented which were in the same line with wage. Comparing the results, salary took the first place but possibility for personal growth and acknowledgement were right behind it. Although these motivator factors took meaningful positions in the results, there could still be clearly seen, how financial aspects like salary and other monetary rewards, such as gift cards, lunch coupons, promotions, were the ones picked out to increase the motivation and satisfaction levels the most. It was explored with few different questions concerning on where does the salary stand for in comparison with recognition, responsibilities and possibility for personal growth.

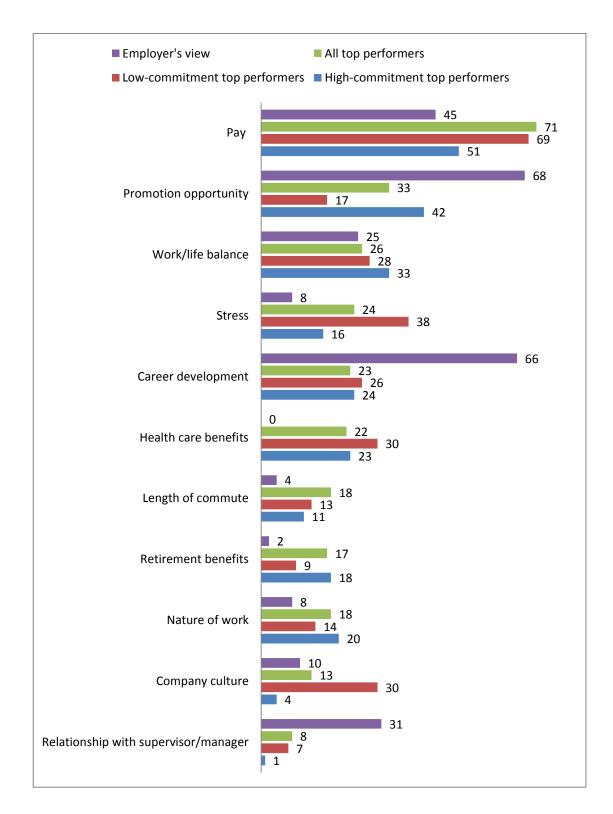


Figure 3. Strategic Rewards: Reasons Top-Performing employees leave an Organization because of pay (percentage reporting element as one of the top three reasons top performing employees consider leaving an organization) (WorldatWwork 2006/2007)

Various options were chosen from the many elements that are considered being the most inspiring ones in different working environments. The respondents were given the possibility to choose from these options the most motivating ones for themselves. These options included various kinds of Herzberg's hygiene factors, for example salary and working conditions, as well as growth tools such as recognition and gaining more responsibility. As figure 4 shows the top five elements can be seen very clearly: salary, acknowledgement, good working conditions, variable and challenging job tasks, and the possibility for personal growth. 83.8% of the respondents chose pay which is clearly the most stimulating one. It can also be seen in table 1 where different tools were rated according to importance: salary got to the first place as well but the distribution of the factors is wider. These findings are in huge contradiction with Herzberg's opposition on how recognition would rule over pay ultimately.

Even though most of the respondents are probably students, which explains the positioning of salary, positive feedback with personal advancement, variable work tasks, and good working conditions were put in high places as well. Although the ultimate purpose for working is undoubtedly earning money at the current time, the other factors would still have an effect on their motivation levels at work, probably after their studies when they get a fulltime job. When the total of working hours per week increases obviously different factors and incentives starts to matter in the job, such as recognition and the feeling of responsibility. Of course changes in life situations will also have an effect on what motivates at work. For example when the time for family and building up own home has come, earning money comes first. These are facts that should have been taken into consideration in the questionnaire as well.

Herzberg was referred earlier how big salary won't automatically make people work harder or smarter because most of the work force are motivated by intrinsic factors. This can also be seen in the figure 4 where multiple other elements were additionally picked up by the respondents. Salary does not by itself increase satisfaction and motivation levels immediately; various other hygiene and motivator factors are needed as well. Examples of these functions

which can increase highly the motivation with good salary are: good working conditions, responsibilities or at least a feeling of it, challenges and variability with the job tasks, good relationships with colleagues and of course Herzberg favorite factor: recognition and feedback. Like said earlier money can come first but to actually enjoy one's work, other factors are needed as well to feel motivated and becoming committed to one company.

Even though pay is in the first place, the other financial rewards and perks were left with a very small share. Only fewer than 29% of the respondents thought that healthcare and other benefits such as lunch coupons, gift cards, and bonuses would increase their motivation levels at the job. Additionally job security was at the bottom which tells that the respondents may have not totally understood what was meant with the concept of job security. For my opinion it is very motivating factor to know if one is going to have the job one is doing at the moment. When a worker knows that his or her contract is going to end in four months, of course the motivation to do the actual job tasks decreases. It gives a feeling of not being appreciated in the company or being an important part of the firm.

# Q5 Which of the following options do you find motivating at work?

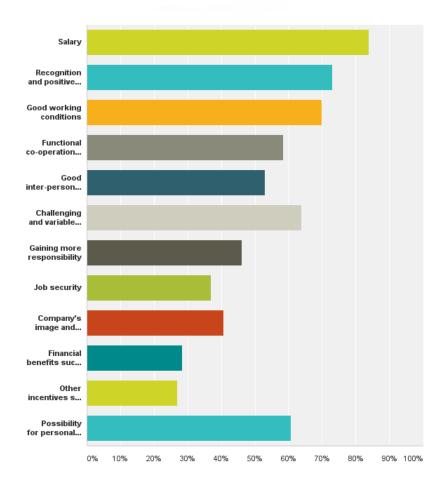


Figure 4. Which factors were found motivating at work (percentage of the respondents (130) who have chosen the factor)

These results show that how the all-time favorite hygiene factor which is pay does matter a lot in nowadays adolescents' minds. Even though three of the options in top 5 are in Herzberg's "motivator" category, the hygiene elements with purpose for general satisfaction levels still are the ones that matter most.

Although salary was stated as the most motivating one at the current positions or when searching for a new job, possibility for personal growth and challenging and variable tasks were quite close with pay. Recognition on the other hand did not get as much attention as those three elements. Recognition and

acknowledgement are the ones that Herzberg highly underlines but these results show that managers should moreover concentrate on offering competitive pay and enrich jobs so that personnel have the opportunity to grow in the position and gain more experience through challenging and variable work tasks.

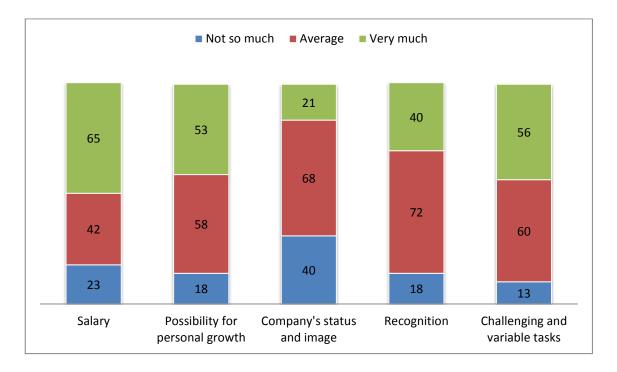


Figure 5. How much have the following options affected on respondents' motivation to stay at their current job or while searching for a new job

From the respondents 8.6% had been in the same job for more than five years, 64.1% had been working in the company for under a year. 27.3% of the sample was situated under the category of working under five years in their current jobs. These results are in the very same line with the age distribution of the sample: most of them being in the category of 21 to 25 years old, reflects how many of them have not had the same job position no more than a year. They have been probably financing their studies first and after few years of studying they have gone to their training programs and that still does not tell if they have been offered a fulltime contract with the same company. For those eleven who had been working at the answering moment more than five years in their current job, there were no visible differences between those who had been working under a year: salary was in the top five in motivation factors for both of these

categories. Individual differences could be seen between young respondents and the older ones who rely more on professional growth and functional cooperation with the colleagues. But still the younger ones also showed desire towards getting more recognition from the job done. The individual investigation showed small differences between the respondents but the cases were not in any relation with the industry, gender or age.

## 4.3 Managers' steps to higher motivation

How should managers then react when their subordinates are very low with their motivation levels and are not satisfied with their jobs? Give a promotion immediately or concentrate maybe on choosing a different kind of prospective? Should companies offer more possibilities for employees on training themselves towards more professional work life or just offer gift cards or other financial perks?

Figure 6 shows clearly, which elements of motivation companies should concentrate when having discussions regarding satisfaction levels. There are six factors and one of them is straight link to extrinsic rewards and that is the possibility to gain yearly bonuses. What one can see, it took the second worst place in the results when training and education programs took the first place with 62%. For my opinion this tells the core issues that should be focused on: giving appropriate training, ability to organize one's own job (60.5%), and good quality supervision (50.4%). The only hygiene factor from these three is the good quality supervision which is in contradiction with previous findings stating that the hygiene factors would rule over Herzberg's motivator ones.

In Western World, Finland and in Europe, people are highly educated and companies value that way more than 20 years ago which lead to the result of 62% of the respondents feeling that training and development possibilities offered by the company would increase their motivation to even apply for the

vacant job. People want to develop their knowledge more all the time because it gives them the possibility to grow professionally.

First, opportunities for more education give the employee a chance to become more professional in one's work and gain more knowledge regarding the tasks that are part of it as well. It also gives the feeling of appreciation towards the person because he or she is given the possibility to grow in the job. The feeling of appreciation maybe comes from that the company is willing to put time and money on it. The positive outcome is that the employee is feeling needed and wanted.

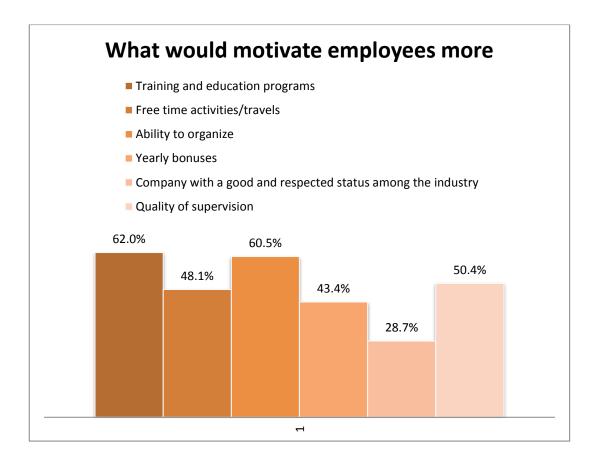


Figure 6. What would motivate employees more in different working environments?

Secondly, the ability to organize one's own work is the element which gives the feeling of being more responsible over things and being less watched by the supervisor. When an employee gains more autonomy or at least has a feeling of it, the desire to perform better and finer job appear among personnel. The manager can be the head of everything but at least giving some autonomy to

the worker increases motivation levels to perform good job. The best outcome is a trustworthy relationship between managers and subordinates.

Thirdly, the quality of supervision is highly linked to the other two main factors occurring in the results: if the manager does not do anything for the employees and do not offer any possibilities, of course it decreases satisfaction levels among employees. Tanner's "praise in public, correct in private" was referred earlier and in it is significant part of being a supportive manager for one's subordinates. It made it clear how important it is to take constructive feedback discussion in the "back room" and not made public in front of colleagues.

Herzberg's motivator factors ruled over the hygiene ones in figure 5 meaning that training and education, ability to organize, and status are the motivator ones when the three leftovers are hygiene ones from which quality of supervision was the only to get over 50% of the votes given. This result is in agreement with Herzberg's two-factor theory's statement how people will desire more the ones stated to be motivator factors. The so called "motivators" are in more significant role on satisfying personnel's levels of efficiency in this category. The fact that salary was not included in this question at all has to be taken into consideration as well: the result could be very different.

As Herzberg was referred earlier, job enrichment is an essential part of motivating employees on their daily work as well. It is never an easy task but there is various ways to get employees charge themselves up and not just by increased salary. Giving more responsibility, maybe for a complete division, enabling to get more challenging duties than before, and giving a job that actually fits with the person's skills, knowledge and interests are good examples of job enrichment. Table 1 shows how the respondents rated twelve different elements that have an effect on motivation. These twelve options included both hygiene and motivator factors and the objective were simply to find out, where would salary and recognition be situated by the workers.

It is very inconvenient that table 1 does not show very accurate and reliable data because there can be seen a straight line from the first option, salary, to the last option, possibility for personal growth. It was also explored by going through the individual answers and sadly I could see how many people did not put any thought into it: they just simply put salary in the first place, recognition in the second place etc. Still there could be seen, how salary was not even in the top 5 but instead good working conditions, functional inter-personal relationships, recognition, possibility for personal growth, and challenges in work tasks were put in high positions. This also is in agreement with Herzberg's two-factor theory on how pay is not the first and last one to escalate satisfaction levels and feelings of high motivated work force. These are very crucial points that managers should concentrate on when looking different ways of motivating their staff members.

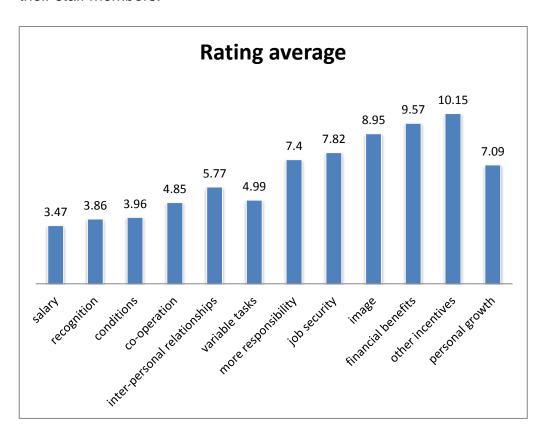


Figure 7. Rating average for each different option (percentage of

Figure 7 shows the average percentages that every option got in the rating according to importance: closest to 1 being the most important and closest to 12 being the least important. These are the same factors that are shown in table 1 but the numbers of respondents are changed to percentage which tells more

clearly the order of priority of the different factors used in the online survey. The ones closest to 1 were rated the most important ones but as one can see there is no clear winner in this race. Salary, recognition, and working conditions were the three closest ones and the gap between them is only 0.49%. But as said earlier, figure 7 and table 1 do not show very accurate data because of the straight line seen in the table 1.

When all of these different elements are taken into consideration and accomplished, it will ultimately lead to high performance and employee satisfaction. For managers it is a good piece of news, how the distribution between these twelve factors were so small: there are multiple ways to motivate the personnel. Putting money on effective HR and planning little special events with the employee makes them feel themselves appreciated and it also have an effect on the conditions they work: if employees have fun with each other outside the office, they probably can have fun at working as well. Additionally discussions regarding personal advancement and the job possibilities inside the company are tools that lead to satisfaction. Combining all of the factors or deciding what the most meaningful ones are for the organization, should be taken on the daily plan on getting more motivated members of the working environment.

Rating according to importance	1	2	3	4	5	6	7	8	9	10	11	12
Salary	37	23	18	13	9	10	6	9	2	1	1	0
Recognition and positive feedback	21	27	21	18	14	10	3	8	2	2	1	2
Good working conditions	20	23	31	13	11	7	14	2	4	1	1	3
Functional co-operation with others	12	13	14	27	16	15	15	8	3	3	2	2
Good inter-personal relationships	5	12	12	12	23	21	10	13	8	8	2	4
Challenging and variable work tasks	18	12	10	14	12	25	21	8	4	3	2	1
Gaining more responsibility	2	3	7	7	10	11	24	1	20	10	7	8
Job security	1	3	3	9	10	5	16	28	21	17	15	2
Company's image and reputation among others	2	3	0	4	6	7	5	10	31	29	12	21
Financial benefits such as bonuses, gift cards etc.	1	0	3	5	6	3	3	5	16	29	37	22
Other incentives such as healthcare	0	2	1	1	3	3	6	7	8	22	39	38
Possibility for personal growth	11	9	10	7	10	13	7	11	11	5	11	25

Table 1. Motivation factors in rating according to importance (one being the most important and twelve the least important)

## 5 CONCLUSION

### 5.1 Research findings

Huge contradiction was found when comparing the results from the research done and Herzberg's research regarding pay. The ultimate statement of Herzberg is how pay is not the most motivating factor. On the contrary, the online questionnaire showed how salary rules over recognition when finding the most motivating tool. However, the comparison between these two samples is not very reliable because of the young age of the respondents in the online survey implemented. Most of the answers were given by 21-25 years old people who cannot be seen as a good example of the working population in Finland.

Additionally the sample being so random and highly between the ages of 21 and 25, it was obvious that most of the respondents were students. This lead to the contradiction between how Herzberg's sample cannot be compared to the sample used in this survey. Although other findings regarding the distribution of hygiene and motivator factors could be done, salary ruled in all of the cases because students usually want money to be able to study and live a normal life outside school as well.

Hygiene and motivator factors both have an effect on employees' satisfaction and motivation levels. Although salary still remained as the most motivating tool, people working still desired more recognition, feedback, possibilities to grow in the job and gain more responsibilities, and be part of a functional co-operating team with colleagues who believe in good inter-personal relationships. This is in agreement with Herzberg's theory of motivators being the ones that actually lead to more sustainable satisfaction and good performance.

## 5.2 Suggestions for managers

What should managers do when the basic desire is to increase employees' motivation levels and commitment towards their job? Based on the survey made and the survey implemented by WorldatWork institution and the Watson Wyatt consulting firm, employers should concentrate on giving the right and competitive salary as well focus on giving constructive and positive feedback and acknowledgement for the personnel from a job well done. Additionally allowing to organize one's own jobs and be part of the decision-making process, give employees high feeling of being a part of something more than just the ordinary job: it gives them the feeling of more responsibilities. The most important step is to get the information what is important for each individual or a team working together. Team leaders should work as a part of the team, not individually.

From the companies view they should offer more training and education programs for the managers to use with people working in the company. It would increase the level of motivation when employees know that they have a possibility to gain more knowledge and professionalism through free training offered by the organization. It gives the feeling for the person that one is appreciated and the firm wants to give new goals and challenges to improve themselves.

#### 5.3 Suggestions for further study and error

The amount of respondents should be higher when thinking about the reliability of the research and the sample the online questionnaire reached. Additionally more specific survey made with questions investigating the different life situations and the backgrounds of respondents. Questions regarding if the person had any family, such as wife and children, to support financially and the possible amount of mortgages and student loans for example, would have given more accurate data to use because in these kinds of situations money will

always come first. Additionally getting answers for the total amount of working experience would have given more accurate information about the sample and their history in work life. Demographics would have been useful in comparison with people living in big cities, smaller ones, or even in the country. With these adjustments the data would have been more reliable and trustworthy.

Concentrating on one or two specific industries would have given more specific data concerning motivation levels in these specific working environments. I asked a huge international bank for a possibility to make a survey and sending it to domestically and internationally to employees but I did not get a permit to do that. In this case the reliability would have increased a lot and the sample would have been a very good example of the working population in Finland and possibly in the Nordic countries as well.

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# **APPENDICES**

An online survey was implemented by the writer and its' objective was to find out what different factors would motivate people on their work.

Appendix 1. Survey
What motivates you?
1. Gender?
o Female
o Male
2. Your age?
o 16-20
o <b>21-25</b>
o <b>26-30</b>
o <b>31-35</b>
o <b>36</b> -
3. Which industry do you work or study?
Do you consider yourself motivated?
Yes No No
5. Which of the following options do you find motivating at work? You can
choose more than one.
<ul> <li>Salary</li> </ul>
<ul> <li>Recognition and positive feedback</li> </ul>

o Good working conditions

- Functional co-operation with others
- Good inter-personal relationships
- o Challenging and variable work tasks
- Gaining more responsibility
- Job security
- Company's image and reputation among others (feeling proud of where you're working)
- o Financial benefits such as bonuses, gift cards, lunch coupons etc.
- o Other incentives such as healthcare
- Possibility for personal growth
- 6. Rate according to importance (1 being the most important and 12being the least important)

	1-12
Salary	
Recognition and positive feedback	
Good working conditions	
Functional co-operation with others	
Good inter-personal relationships	
Challenging and variable work tasks	
Gaining more responsibility	
Job security	
Company's image and reputation	
among others (feeling proud of	
where you're working)	
Financial benefits such as bonuses,	
gift cards, lunch coupons etc.	
Other incentives such as healthcare	
Possibility for personal growth	

7. How much have the following options affected your motivation to stay at your current job/searching for a job?

	Very much	Average	Not so much
Salary			
Possibility for			
personal growth			
Company's status			
and image			
Recognition			
Challenging and			
variable tasks			

8.	What of	the	following	options	could	increase	your	motivation	at	work?
	You can	cho	ose more	than one	<b>)</b> .					

- Training and education programs
- Free time activities/travels
- o Ability to organize and be responsible for your own work tasks
- Yearly bonuses
- Company with a good and respected status among the industry
- Quality of supervision (supporting and effective manager for example)

9.	How	long	have	you	work	king	in '	your	current	jol	D'?	,

- o <1
- o **<**5
- More than 5 years
- 10. How often do you search for other work opportunities?
  - Frequently
  - o Often
  - Sometimes

- o Rarely
- o Never