To motivate employees in a Swedish housing company
- AB Älvkarlebyhus

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Second Cycle
15 Credits

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Master Thesis in Business Administration
ABSTRACT:
Title: To motivate employees in a Swedish housing company—Älvkarlebyhus
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Aim: The aim of this work is to examine how to motivate employees in internal marketing; especially, in a Swedish housing company. We find out effective and diversity solutions to motivate employees using real example.
Method: Both qualitative and quantitative methodologies are used in this work, mainly through the use of interviews with Älvkarlebyhus’ CFO and questionnaires with employees.
Result & Conclusions:
The real situation of employee motivation in AB Älvkarlebyhus is similar to other Swedish companies. The motivation relies on government and public rules, some motivators such as wages, promotion, working conditions, recognition and responsibility. Company administration and policies also affect their employees.
Suggestions for future research:
A number of activities such as the establishment of staff record system, internal staff sports competitions, company travel, current questions about processing training should be held on open discussion boards on the internet, and to have afternoon tea time activities every Friday with the aim of improving the employee motivation should be considered. Moreover, a more comprehensive research that takes into account the government perspective or another housing company as a case company should be done by future researchers..
Contribution of the thesis:
The academic theory combined with former researchers’ results, and practical analysis of employee motivation has been described. Students and future researchers can also gain an understanding of a Swedish official housing company and its approach to employee motivation.
Key words: management, motivate employees, Älvkarlebyhus
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1. Introduction

This chapter presents the background of the study how to motivate employees through internal marketing, the case of a Swedish housing company, together with the aim, research questions and the structure of this work.

1.1 Background

Ahmed and Rafiq summarised the definition of IM (internal marketing) as “a planned effort using a marketing-like approach directed at motivating employees, for implementing and integrating organisational strategies towards customer orientation” (2002, p.11). The logic between employee satisfaction and organisational performance in IM is noted. The main viewpoint by Ahmed and Rafiq (2003) is that organisations need to treat their employees as customers, and the organisation should be capable of satisfying their external customers as a result of the satisfied internal customers. At the same time, Ewing and Caruana (1999) argue that companies have to sell their products and provide the quality service to employees in order to satisfy employees as the internal customers, and only then can the company achieve the benefits from satisfied external customers. Jobs are a kind of production provided to employees by the organization, and then the employees as contact people communicate with the customers, and provide the service to them. So, motivating employees is core to obtaining employee satisfaction and developing a competitive advantage in the organisation through internal marketing.

This study focuses on motivating employees through internal marketing. From the abovementioned theories, it is easy to see the joint function of employees during the delivery process from organisation to external customers. The internal motivation to employees should be to think more like managers.

Swedish housing companies in Sweden have 885,000 rental apartments on their books, belonging to municipal housing companies in Sweden and accounting for about 22% of the all housing stock of Sweden (European Parliament, 1996). The government has taken measures to remove all subsidies and to reduce taxes related to municipal housing companies at the beginning of the 1990s. It means more effective competitive environment in housing industry.
Companies can now compete with each other equally, and allows the housing companies to focus on cost efficiencies and customer needs, in order to obtain competitive advantages. Housing companies are asked to motivate their employees to deliver better service.

AB Älvkarlebyhus, the case company, is a public utility housing company that offers apartments to inhabitants of the municipality Älvkarleby in the area of Skutskär, Alvkarseby, Älvkarleö, Marmaoch and Gårdskär. The company was founded in 1949 and converted to a corporation in 1997. The board of directors consists of politicians from the municipality. In 2010 the annual turnover reached 88 million Swedish kronor.

There are 22 people working for the company, comprised 9 officer/office workers and 13 working staff. The company is divided into economics, customer contacts, and building maintenance. There is a managing director, five employees in the economics and customer contact department, and sixteen maintenance employees.

The question arises as to why AB Älvkarlebyhus was selected as the case company. Firstly the researchers are very interested in the different organisational structure and management style comparing to similar companies in China and secondly as tenants of this company the researchers were au fait with their service, and having an existing relationship made it easier to discuss this research study with them.

1.2 The Aim

The aim of this study is to examine how to motivate employees through internal marketing, specifically within a Swedish housing company. Managers do not think much about internal motivation of employees in most small-size companies, as compared with external marketing to customers. The study presents the relationship between the organisation, employees and customers, in order to help people recognise the importance of motivating employees. Furthermore, there is lack of research in Swedish housing companies. So, resources came from different sources such as relevant books, prior research studies and the news to understand how to motivate employees, and offering diverse solutions to managers.
1.3 Research Question

The methodology uses a case study to obtain primary data. AB Älvkarklebyhus is the company selected for the case study which will attempt to determine how to motivate employees in internal marketing in a Swedish housing company.

The research questions for this study are:

- What kinds of motivators are AB Älvkarklebyhus using?
- Which factors are effective and which not in AB Älvkarklebyhus?
- How to improve the present levels of employee motivation in the context of the real environment?

1.4 Limitation

Initially the management of internal marketing is a broad topic involving many facets. Motivation was selected as the starting point of the study in order to find out the answers on how to do internal motivation.

Additionally, few research studies have been executed on internal motivation in housing companies, and the current situation in Swedish housing company. So, the intention is to present the phenomenon and give effective answers by collecting the information from the Swedish housing company owned by the Älvkarleby Municipality.

Although, the case company is a small-size company; the company can be considered as representative of Swedish housing companies.

1.5 Disposition

- Chapter 1 notes the background of the study, the aim, research questions, the limitations, and the structure of the work.

- Chapter 2 presents the relevant theory. The motivation theory is linked to individual needs in respect of work satisfaction and the motivators in different facets thereof.

- Chapter 3 is the chapter that shows the methods used, the means of collecting information,
and issues encountered during the interview process with the case company.

- Chapter 4 documents the information collected from the case company, including the information from managers, employees and the Internet, in order to make it more comprehensive for readers.

- Chapter 5 discusses the result based on the combination of literature and empirical findings, to analyse how to motivate employees by manager in AB Älvkarklebyhus.

- Chapter 6 provides the conclusion based on the discussion about the theories and empirical findings.
2. Literature review

The literature review chapter is vital to introducing the theories and to explain the content of internal marketing. Motivation theories like individual needs with work satisfaction are presented as are different aspects of motivation factors and motivation strategies to help organisations find ways to internally motivate.

2.1 Motivating employees through internal marketing

Dunmore noted that “people and more specifically, the ways in which people cooperate, communicate and behave, are fundamental to the outcomes of IM” (2002, p.177). All behaviours, communication and cooperation of employees are considered when managers want to motivate their employees to a better performance of the organisation. Pinder (1998) describes work motivation as “a set of energetic forces that originate both within as well as beyond an individual’s being, to initiate work-related behaviours, and to determine its form, direction, intensity, and duration” (p.11). Motivation, is not a simple single step, it is made up of a set of energetic forces. Organisations should take a series of measures to create the energetic forces for employees, leading to employee behaviours that are suited to the organisational goals or objectives. Motivating employees is a key aspect of internal marketing by management, and satisfied internal customers provide excellent performance to external customers.

What can motivate employees? In the early motivation research, the main theory was Maslow’s need hierarchy (Maslow, 1954) which focuses on individual needs on different levels. Furthermore, Herzberg’s two factory theory (1959) shows motivation factors as a work-focused theory to study worker job satisfaction. Vroom’s expectancy theory (1964) developed the topic of motivation combining the interaction of individual needs and employees working together. All of above viewpoints are useful in certain environments, and a, common suggestion is picking up motivation factors after understanding employee inner motives. (Pugh, 1971) Additionally, a theory of human motivation deduced out people is motivated because of their unsatisfied needs. As for the theory of achievement, motivation suggests setting certain goals or objectives to motivate employees.
2.2 Herzberg’s theory

Herzberg et al. (1959) developed the theory of the motivation to work, dividing factors into two levels. “The first-level factor as an objective element of the situation in which the respondent finds a source for his good or bad feelings about the job” (Herzberg et al., 2007, p.45). The first level lists factors that could possibly impact the attitude to work, including task-related and extra-job factors, is shown in Figure 2.1 below. As for, the second level factors, authors exhibit certain standards about their different factors, in order to make readers understand the theory more clearly. The case data is analysed in Chapter 4 using both job factors and extra-job factors.

<table>
<thead>
<tr>
<th>Motivators (job factors)</th>
<th>Hygiene factors (extra-job factors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Recognition;</td>
<td>• Salary;</td>
</tr>
<tr>
<td>• Achievement;</td>
<td>• Interpersonal relations - supervisor;</td>
</tr>
<tr>
<td>• Possibility of growth;</td>
<td>• Interpersonal relations - subordinates;</td>
</tr>
<tr>
<td>• Advancement;</td>
<td>• Interpersonal relations - peers;</td>
</tr>
<tr>
<td>• Responsibility;</td>
<td>• Supervision - technical;</td>
</tr>
<tr>
<td>• Work itself.</td>
<td>• Company policy and administration;</td>
</tr>
<tr>
<td></td>
<td>• Working conditions;</td>
</tr>
<tr>
<td></td>
<td>• Factors in personal life;</td>
</tr>
<tr>
<td></td>
<td>• Status;</td>
</tr>
<tr>
<td></td>
<td>• Job security.</td>
</tr>
</tbody>
</table>

Figure 2.1: The first level of Herzberg’s theory

Source: Tietjen and Myers, 1998, p.226

The motivators (job factors) in Figure 2.1 are “some of the factors that caused happy feelings or a good attitude within the worker” (Tietjen and Myers, 1998, p.226). In other words, they lead directly to positive functions as task-related motivators. However, hygiene factors (extra-job factors) are described as surrounding factors, having close relationship with job, but extra job-self. Using first-level factors is helpful to examine the employee motivation from both the managerial and employee perspective. Each factor as it refers to the theory of Herzberg is explained below (Herzberg et al., 1959, pp.44-48).
**Job factors**

1. Recognition - Recognition happens in different forms of notice, praise, even blame by another person. The person can be a supervisor, client, peer, the public and others.
2. Achievement - What is achievement here? Herzberg *et al.* define it as including the opposite, failure and the absence of achievement. Specifically, it is successful from a job perspective, such as completion of work, solutions to problems, vindication and seeing the results of one’s work.
3. Possibility of growth - In this category, there are two meanings. One is the probability of promotion for the individual in the organisation; another is creating situations to help people enrich their skills or professional knowledge.
4. Advancement - The authors describe advancement as enlargement of responsibility informally, when someone’s status or position changes in the organisation.
5. Responsibility - It is more formal to give responsibility and authority to a person. The formal type relates to policy and administration within an organisation.
6. Work itself - The importance of work itself is to say whether a good or bad feeling is created while doing the job, or a task of the job. For the same job or task, different people can express different feelings. Maybe the reason for different feelings is personal interests or content of the work.

**Extra-job factors**

1. Salary - Herzberg *et al.* assert “*salary covered all results of events in which compensation plays a role*” (Herzberg *et al.*, 2007, p.46). The standards of wages or salary, the reward level of fulfillment expectations are considered in this item.
2. Interpersonal relations - there are three types of relationships, the interpersonal relationships with superiors, the interpersonal relationships with subordinates; and interpersonal relationships with peers. Interpersonal relations impact almost of all aspects in an organization, involving interaction, communication.
3. Technical Supervision - it is using critical detail items to identity interpersonal relationships under technical supervision; even it is hard to exam seemingly. As an example, the items can be competence or incompetence, fairness or unfairness, willingness or unwillingness to undertake responsibility.
4. Company policy and administration - company policy and administration impact on the organisation from top to bottom. It has two characteristics. One is the sufficiency or insufficiency from the organizational and management perspective, while another is
not insufficient but whether there are positive or negative effects related to the company’s policies.

5. Working conditions - working conditions are complex, involving almost all facets of the job such as lighting, facilities, room size and other factors in the environment.

6. Factors in personal life - it is the impact of the job on the individuals’ life. For example, moving to another city or country because of the change of position in the organization, or reducing leisure time because of the need for over-time.

7. Status - This item is related to other factors like advancement and professional growth. The change of status also affects other aspects. The upward trend of status, maybe enlarge the person’s power or own special authority or allow them to undertake more responsibility.

8. Job security - Here, the stability or instability and insurance are considered for a job. Good job security can encourage people to stay in the organisation and try their best to do the job.

The above factors whether in-job or extra-job interact with each other in various forms. However, the dual character should be noted. Each factor can be positive or negative depending on different situations. The different results will occur because of the difference in social environments, organisational environment and actors.

A list (Figure 2.2) was compiled indicating the motivation factors to examine the case company’s employee motivation dependent on three classical theories. The motivators in Figure 2.2 are used as the core points to conduct the content of interview and questionnaire survey, and analyse the data in Chapter 4 and Chapter 5.
<table>
<thead>
<tr>
<th>Wages</th>
<th>Salary; Bonus; Extra reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>Promotion opportunities;</td>
</tr>
<tr>
<td></td>
<td>Promotion period</td>
</tr>
<tr>
<td>Working condition</td>
<td>Relations with managers, co-workers;</td>
</tr>
<tr>
<td></td>
<td>Facilities; Space; Working time</td>
</tr>
<tr>
<td>Education</td>
<td>Professional skill or knowledge training; University education</td>
</tr>
<tr>
<td>Recognition</td>
<td>Praise; Blame;</td>
</tr>
<tr>
<td>Responsibility</td>
<td></td>
</tr>
<tr>
<td>Supervisor technical</td>
<td>Fairness or not; Management skill; Communication skill</td>
</tr>
<tr>
<td>Company administration or policy</td>
<td>Business plan; Paper report</td>
</tr>
<tr>
<td>Personal life</td>
<td>Holiday; Over-time working</td>
</tr>
<tr>
<td>Job security</td>
<td>Retired plan; Health insurance</td>
</tr>
</tbody>
</table>

**Figure 2.2: Motivation factors**  
Source: Own designed based on Herzberg’s theory

### 2.3 Motivation tools by managers

#### 2.3.1 Monetary motivation

Building an effective reward system can be seen as a useful measure to motivate employees by Thomas *et al* who divided reward systems into five main parts. The five core parts are basic and variable payments, insurance, leave, allowances, and social benefits. Based on the investigation of motivating employees by Thomas *et al* in 2002, they found key factors that
have significant impact on employee motivation, including a base salary, merit pay, year-end bonuses, annual leave, and mortgage loans, housing provisions, individual bonuses and overtime allowances. However, Thomas \textit{et al} also commented that the above factors are not always the same and sometimes work differently because of background culture, position in an organisation and the status of the implementation processes. During the investigation, Thomas \textit{et al} found Hong Kong (HK) employees to be motivated and retained by the offer of company funded mortgage loans. However, Chinese employees are motivated and retained through the provision of housing, and mortgage loans do not work with Chinese employees. Furthermore, profit sharing can motivate an employee, but retain this person (Thomas Li-Ping Tang \textit{et al}., 2002).

Suggestions:
1) Create a strategic and effective reward policy;
2) Motivation requires a balance between wages and benefits in order to satisfy employees;
3) It is impossible for the same reward system to suit every one;
4) Using supervisory control to ensure the balance and keep the process on track.

The reward system needs to build firm and effective strategic pay policies, and moreover internal equity, external competitiveness, and individual equity are important standards that must be strictly implemented. The good reward system is not only helpful to motivate employees, but also obtain market competition.

\textbf{2.3.2 Career-orientated motivation}

Sometimes, employees are motivated by promotional opportunities or responsibility enlargement. Bray and Howard (1988) stated that “\textit{Career-orientated motivation in terms of advancement motivation} (i.e. ambition about career progression) and work importance (i.e. the salience or centrality of work and career compared with other areas of life satisfaction)” (Nabi, 2000, p.92). This means a person who is career-oriented has a strong sense of professional growth, or obtains high satisfaction levels or happiness from the job.

Education chances – “\textit{organisations that focus on educating and training people about the technical aspects of their jobs and about effective group participation will increase the likelihood that organisational groups will become high performance teams}” (Wheelan, 2010, p.14). So, it has not to ignore the importance of employees’ training and education for
organizational ability and performance. Education opportunities, we divided into two kinds. One is training for professional skills and knowledge holding by the organization; another is long term education in university. Generally, the learning of job-relative skills and further study are critical to creating professional growth opportunities and improve organizational performance (Nabi, 2000, p.92). So, the education opportunities are valued by employees who have career ambition and really enjoy their jobs.

Promotion opportunities - For career-orientation people, promotion opportunities are always an important driver in improving employee performance and contribution to the organisation.

Responsibility enlargement (autonomy) - Granting workers freedom to utilize their initiative in relation to routine tasks is another effective motivational and retention tool. In is essentially empowerment and makes people feel more powerful (Adams, 2008, p.17). Enhanced responsibility and autonomy is a recognised expression of individual capacity, and indicates that the employee is trusted by the organisation and managers, while employees obtain a sense of achievement from the job.

Suggestions:
1) Jobs must be restructured to maximise the ability of workers to achieve meaningful goals related to the doing of the job (Herzberg et al., 2007, p.132). Herzberg et al. stated that managers must value the professional growth of employees and provide necessary support.
2) Employees should have a sense of achievement and personal growth (Herzberg et al., 2007, p.132). It is important to help employees build proper personal goals lined to organisational goals and that there is fairness in making promotion opportunities available to everyone;
3) Employees should be clear “about what decisions they can make on their own and what decisions must be reviewed by others” (Wheelan, 2010, p.17). Clear policy and administration processes must be in place to assist employees in their decision making.
4) Work is often the cue to a higher level of motivation (Herzberg et al., 2007, p.133). Managers have a responsibility to enrich the content of jobs and allocate different jobs and tasks to different people, depending on the individual employee needs and interests.
Managers have a responsibility to help employees improve their knowledge and skills to improve performance in their work. At the same time, it is helpful that organisations grow continuously, because of the growth of employees. These measures are beneficial in motivating employees to spend time and energy to improve their performance in their work, especially, for those people who have strong career ambitions. Managers should help employees to set correct personal goals in accordance with organisational goals.

2.3.3 The motivation from surrounding environment

The environment can also motivate employees to some extent. The relationship with managers, colleagues and peers is one aspect, and another is the physical environment, like space, equipment, working time.

Relations with relevant people - Wheelan states that “good working relationships with other members and groups are important indicators of an effective organisation” (Wheelan, 2010, p.18). There are two kinds of relationships, either between employee and manager, or employee and employee. The relation between manager and employee and is called leadership.

The working conditions must ensure that there is enough of the correct equipment, enough space within which to operate and must ensure employee safety (Franklin, 2009).

2.3.4 To motivate through management skills

Herzberg further states that “the most important job of the supervisor is his organising and planning functions”. During the process of organising and planning work, managers need to use management skills to make sure these efforts are complementary to the organisational goals. Positive recognition and internal communication are the two main skills required to manage the company.

Positive recognition – In Herzberg’s theory, recognition is divided into praise, blame, and public. That is to say for different people we can use different ways to motivate, based on the issues. So, the recognition for achievement of positive function needs to consider the environmental factors.
Internal communication – There are two aspects to internal communication. One is information delivery from top to bottom, including important issues, new policies, new products and other changes. Another is feedback from bottom to top, including suggestions and complaints from both internal and external customers. Organisations should provide smooth and diverse communication channels. The function of communication affects everyone in an organisation deeply.

As an example, managers need to communicate with employees before providing support. Effective communication is really helpful to managers in understanding the inner needs of employees, and what assistance they could provide that could motivate employees. Similarly, communication among employees is also important as positive communication encourages employees to help each other and share information within the internal organisation.

2.4 To create motivation strategies using KITA

Generally a successful manager should have the ability to pick up on the proper motivators for encouraging correct employee behaviours, and to recognise the impact of different motivators, and the skill of ensuring the motivation works.

KITA is similar to a kick in the pants; it describes the master as pushing his dog forward, and the dog has no choice but to do as his master wants. As a motivation strategy, it is important to understand how to motivate employees and make them always strive to achieve the same goal, or do what the manager wants them to do. It is called KITA for convenience. Palmer (2005) presents KITA based on the Herzberg theory:

1. Recognise core motivators

Palmer argued that supervisors should find generally inspiring and energising motivators to “lead to acknowledgement, additional responsibility or promotion at first” (Palmer, 2005, p.5). Palmer suggests the following five factors can be evaluated, and used to conduct management in practice. It is also important to discover other motivators linked to the practical environment and to be used in the building of motivational strategies.

a) The opportunity for career advancement and professional growth
b) Acknowledgement and recognition
c) Greater responsibility  
d) Facing and overcoming a challenge  
e) A sense of achievement  

2. Set values-congruent goals  
In this step, setting proper goals is a critical issue. The rule for managers is to keep a balance between organisational goals and individual goals, to make sure they are complementary. Palmer also suggests checking that goals are specific, measurable, achievable, realistic, time-based-formula (SMART), in order to check that they values-congruent goals.  

3. Identify and handle all obstacles  
The obstacles will occur during the implementation phase. Identifying and handling obstacles timeously can help to avoid unnecessarily large losses or reduce risks. Palmer suggests that “one might feel that trying to stay positive is the way to stay motivated, niggling concerns and tolerations can drain motivation and need to be addressed” (Palmer, 2005, p.5).  

4. If it’s not working, change it  
As previously mentioned, not every motivator affects every person or environment in the same way. Reality and concepts do not always tally. A manager needs to track and monitor reactions during the implementation. If a motivator does not work, the manager should find out why not, and then stop and change the ineffective motivator.  

5. Design the process as well as the goal  
What is the most important employee motivator? Palmer considered “a fundamental part of a motivation strategy must be that the process of achieving the goal is itself motivational” (Palmer, 2005, p.5). In other words, it is important to ensure that people do not give up during the implementation phase, by designing a process for achieving goals, and to control the motivation strategy.  

A motivation strategy is necessary for conducting the daily tasks and motivating employees with common goals. It is not only a decision or simple words used to describe the goal, but also using a set of skills to achieve it.
2.5 To Summary

In this chapter, the main theories relative to the area of research were presented. It is too difficult to analyse the empirical data in the context of all the motivators, so it is recommended that companies create their own list of motivators that work in the context of these three theories and the practical realities of their environment. Ten motivation factors are listed in Figure 2.2 as shown (p.8-9). Both interview content and questionnaires refer to our motivation factors.

A systematic guide should be available to assist the manager on how to set a motivation strategy using KITA.
3 Methodology

This chapter explains the research methodology adopted, including research purpose, research design, theory construction, data collection, and data analysis.

3.1 The research methods

Malhotra suggested qualitative research is “unstructured, exploratory in nature, based on small samples, and may utilise popular qualitative techniques such as focus groups (group interviews), word association (asking respondents to indicate their first responses to stimulus words), and in-depth interviews (one-on-one interviews that probe the respondents’ thoughts in detail)” (2007, p.42). Usually, qualitative research emphasises on words rather than numbers, including a variety of techniques such as personal interviews, projective techniques, participant observation, ethnography, case studies, photography and storytelling. This makes it possible to research a question in an unstructured style with universality and generalisation, to know what people think in their hearts; It is quite proper to use in market research through others’ words or phenomenon description to figure out common thoughts and solutions.

Bryman and Bell noted quantitative research is “described as entailing the collection of numerical data and as exhibiting a view of the relationship between theory and research as deductive, a predilection for a natural science approach (and of positivism in particular), and as having an objectivist conception of social reality” (2007, p.154). Researchers have to collect numerical data, like the annual audit report and the rate of market share, to show the facts and summarise results. The survey and numerical data is helpful to get clear information in fixed aspects which you want. This research study uses qualitative and quantitative research methods to collect and analyse the information in order to reduce the weaknesses and improve the quality of the study.

3.2 The research process

Figure 3.1 designed to follow and examine the working process in accordance with the main processes of Bryman and Bell. Figure 3.1 covers all aspects of this research.
Step 1. General research questions - at the beginning of the study issues in internal marketing were discussed, because internal marketing is a significant component of marketing as a whole. Internal marketing can be considered from different aspects and the logic of internal marketing as a motivator leading to customer satisfaction is obvious. This study was focused on the internal motivation of employees.

Step 2. Selecting relevant site(s) and subjects - AB Älvkarlebyhus was chosen as the case study target company. It is a Swedish public utility housing company that offers apartments to inhabitants of the Älvkarleby municipality in the areas of Skutskär, Alvkarleby, Älvkarleö, Marmaoch and Gårdskär. The company is a small-sized housing company, owned by the Älvkarleby municipality which has 22 employees. This company was studied based on the three research questions (What motivators are AB Älvkarlebyhus using? Which factors are effective and not effective in AB Älvkarlebyhus? How can the present employee motivation in AB Älvkarlebyhus be improved?).
Step a. Theory. Theories about employee motivation in the internal organization were assessed. Maslow’s Need Hierarchy which discusses motivation from an individual needs perspective, Herzberg’s theory from a worker job satisfaction, and Vroom’s expectancy theory were all reviewed. Vroom’s theory because it is humanization, covering work with individual needs. On the basis of these theories, an attempt was made to develop and enhance new ideas and concepts into the theory, describing details in motivation such as salary, training, professional growth and work-enrichment.

Step 3. Collection of relevant data - Multiple data collection methodologies is mentioned as a significant principle (Malhotra, 2007; Yin, 2003). Both qualitative and quantitative data was reviewed using the library (professional books), websites (online library, and company’s homepage), electronic tools (email), questionnaire, face to face interview and periodic seminars. The methodologies are shown below:

- **Academic information:**
  - 1) Professional books were borrowed from Gavle University and the National library;
  - 2) Articles come from emerald.com;

- **Electronic information:**
  - 1) The homepage of AB Älvkarklebyhus;
  - 2) Email is usually used to contact staff members at AB Älvkarklebyhus and to discuss issues with fellow researchers.

- **Practical information:**
  - 1) Interview- A single face-to-face interview was held with the CFO, Mr. Martin Svaleryd, lasting about 2 and half hours. Prior to the meeting a simple protocol was drawn up to effectively control the time, and keep the discussion focused on the research topic. It is essentially a plan to write down the topic line and the time you can spend on it. Furthermore, a valuable effort was to send the thesis proposal and a question list to the interviewee, helping him to understand the point of the meeting and to give him sufficient time to prepare his responses. As for the interview, it was interesting and cheerful communication. Martin gave us lots of data such as their business plan, housing board report, annual customer survey and other numerical reports. He also drew some pictures on the whiteboard to show us his ideas on employee
motivation.

o 2) The questionnaire is just yes or no questions. The case company is small in size with only 22 employees, which allowed for the questionnaires to be sent to all 22 employees, from whom 11 completed questionnaires were received.

• Helpful suggestions. Additionally, speaking at periodic seminars are a great means to getting lots of suggestions from fellow researchers and the supervisor, which helps to improve the study.

Step 4 to step 5. These steps follow the data collection. Data collected must not only be presented, but must also be analysed in depth. The largest part of the study was developing the core information from the data received from Martin, including his words, tables and documents.

• Gather all information. It is difficult to interpret the broad inputs to be sure you have correctly interpreted the data. Initially the two researchers kept individual notes on what was being said, and also recorded the conversation. Then, the interview data was reviewed in the context of documents provided to the researchers.

• Differentiate and categorise. This requires the data to be analysed and categorised in order to assess whether the information indicates it to be a solution or a problem.

• Build relationships between data and relative theories. This requires using the correct academic terminology while attempting to link data collected and the analysed information to theory.

Step 5a & 5b. When certain data is incomplete, further investigation is required. Martin was emailed for further information and information on government’s policy on municipality housing companies.

Step 6 Analyze data. Yin (2003, p.109) noted the analysis process is difficult in case studies. This was noted during this study, and the importance of fairly and correctly analysing the data was experienced. In this context, the theoretical strategy of analysing data was done in according with the theory in Chapter 2. Empirical findings (chapter 4) present the evidence and practical data in respect of AB Älvkarklebyhus; then the analysis part (Chapter 5) explains all information in depth and compares the findings with the theories (Chapter 2).
Step 7. Drawing conclusions - The answers to the research questions are presented in the context of related theories and the investigation to the real housing company-AB Älvkarklebyhus. Also, in the end of the study, our suggestions are given for further study in this area.

3.3 The evaluation of empirical data

The empirical data collected from the case study company and the Internet is presented in Chapter 4. At the beginning of Chapter 4, a background to AB Älvkarklebyhus was provided in order to give a clear vision of the research objective. The manager and the employee perspective on of AB Älvkarklebyhus are also presented here, using words, picture and tables, according to the data gathered from face-to-face interviews and employee questionnaires. All questions and answers are closely related to the ten motivation factors previously presented (see Figure 2.2).

Furthermore, the analysis of empirical data requires critical thinking by the researchers. The ten motivation factors (Figure 2.2) are used as the primary framework for analysing the data.

3.4 The validity and reliability for the research

Qualitative and quantitative research methodologies were used to collect and analyse the information in order to reduce the weaknesses and improve the quality of the study. The theories presented in Chapter 2 are classical theories in this area of research. It can be seen as a guide for managers in practical environments. Sufficient data was collected from the case company and their home page to support the study. In addition, the CFO provided lots of printed information such as the business plan, blueprint and commercial investigation. A single face-to-face interview was held and followed by numerous email communications with the CFO. In order to gather comprehensive information, the questionnaires were sent to half of the employees in the case company.

The empirical data was analysed using the motivation factors as defined in Figure 2.2. Figure 2.2 indicates the best approach to examining the case company, because it combines the theories and the reality of AB Älvkarlebyhus. Based on the above, the study can be considered is valid and reliable. The measures after the conclusion can be used in AB Älvkarlebyhus and similar companies.
4 Empirical Finding

This chapter records the findings from the CFO of AB Älvkarlebyhus interview, and the questionnaire answers from employees. A certain amount of secondary data was gathered from an internal AB Älvkarlebyhus business report, and is included in the findings. The content includes a company introduction, manager perspective, and employee perspective.

4.1 Company introduction

The basic information in AB Älvkarlebyhus

AB Älvkarlebyhus is a 100% Älvkarleby municipality-owned housing company whose task it is to create diverse housing of good quality for the inhabitants of the municipality. The company manages around 1100 flats and a hundred rooms, garages and parking spaces spread over the districts of Skutskär, Älvkarleby, Älvkarleö, Marmaduke, and Gårdskär.

Purpose: Established in 1949 the company goal is to provide affordable housing in well-kept buildings and secure areas with a good, well-developed service, on a commercial basis.

Vision: AB Älvkarlebyhus’ vision is developing accommodation. Specifically, offers a variety of housing options, where everyone should be able to find housing that fits, to provide services that tenants are willing to pay for.

![The AB Älvkarlebyhus organization](image)

Figure 4.1: The AB Älvkarlebyhus organization

Source: designed by us after description by CFO Martin in the manager interview, 2011.

The chart (Figure 4.1) describes the organisational structure of AB Älvkarlebyhus. The board of directors occupies the top position in AB Älvkarlebyhus. Reporting to the board are four
management staff. The CEO Eva Henebäck is also a member of the board, and leads the other three departmental managers. Customer service and administration are the responsibility of CFO Martin Svaleryd who has five employees. Pontus Donnerståhl works alone in the real estate department and maintenance which is the core part of the business has 15 employees who operate under the management of Anders Larsson.

**The AB Älvkarlebyhus service**

The major roles of AB Älvkarlebyhus are customer service and maintenance. Customer service includes all the daily receptionist routine work which interfaces with clients. AB Älvkarlebyhus has the receptionist deal with the customer’s questions when they come in. The biggest task of the receptionist is signing or cancelling apartment contracts. Maintenance refers to the normal activities that keep the flats in good condition including street and snow cleaning, grass cutting in the summer, and heating and window maintenance. Älvkarlebyhus has its own maintenance organisation which does the repair work and takes care of the outdoor environment. Älvkarlebyhus does not do all the work itself. Painting, wallpaper hanging, access control, security and rebuilding are outsourced.

**4.2 Manager Perspective**

**4.2.1 2011-2013 Business Plan in AB Älvkarlebyhus**

The AB Älvkarlebyhus business plan covers a period of three years and the goals are divided into four parts to ensure that the company looks at the big picture and captures all perspectives. The four parts are customer, property, finance and employee. All components compete with each other to create a balance within the company, which means that focus on part of them may result in the rest weakening. Martin acknowledges the importance of the employee and pays attention to them.

The range for employee salaries at AB Älvkarlebyhus is between 22,000 kroner to 26,000 kroner. The salary amount would never be affected by performance but would influence the yearly salary review.

A performance review would consider the following:
---A high quality and timeous work performance
---A sense of initiative and a drive for improvements
---Good cooperation with other staff members and participation in a positive manner
---Knowledge and experience is shared with other employees
---A focus on customer needs
---Expectations and other reasons for pay reviews

The likelihood of a salary increase would be assessed during the performance appraisal, but bonuses or other extra rewards are not possible.

Promotion to a management position can only happen if the existing managers choose to leave. This cannot be planned since the individual decisions of the managers are unpredictable. But employee can ask for a one year sabbatical to attend Högskolan I Gavle to study the management, and when the manager quits his job, the employee can then have it. AB Älvkarlebyhus is currently going through a generational change among staff. In 2010, three people with very long lengths of service retired. The company has an average length of employment of 11 years and the average age of the employees is 50 years.

In November 2010, a new office came into operation in Skutskär. This resulted in the consolidation of the business into a single location.

4.1.2 Manager working way

“In the management view, to motivate the employees to contribute to good performance for customer service is the most vital thing in our company,” Martin said.

Before attempting to motivate employees, management should listen to the employees on what motivates them. Despite the polite and friendly face-to-face chats during lunch time Martin believes that the managers are not good at using these opportunities to extract motivational information form the employees.

Martin tries to treat each employee fairly. Faced with different performance levels from employees, Martin allows high performing employees more freedom and assigns them more important work and gives them verbal praise. For the low performing employees, he assigns the work that is less important and entreats them to improve. However, he does not actually
have a means to balance the rewards between differently performing employees.

There is no employee motivation system in AB Älvkarlebyhus, but a three-year business plan and a customer survey are conducted. The only motivator the management staff use is through daily discussions and communications to let the employees understand the importance of excellent service.

Martin states that they attempt to improve motivation by trying to explain the importance of customer service to the employees rather than trying to explain what good service is.

AB Älvkarlebyhus holds two regular and large-scale conferences within the company that promote the importance of customer service every year.

AB Älvkarlebyhus holds discussions to increase the knowledge about the importance of customers. The four management staff members take pains to include the employees as part of the discussions.

To increase employee a little, the managers instill the idea in the employees that if they do not treat the customer well the business would die, and if the company cannot offer attractive buildings, no one would pay.

4.3 Employee Perspective

Questionnaires were sent to 18 employees in AB Älvkarlebyhus after the manager interview. The questionnaire included three question types, Yes/No, multiple choices, and open questions. The content is based on the answers from the manager interview and our subject. Ten of the eighteen employees handed in their completed questionnaires, three females and seven males.

The first part of the questionnaire has 35 Yes/No questions.

The first three questions are about wages. Among the 10 employee respondents, 5 stated they would work harder if more salary and bonus were given. As to the extra reward, 6 employees chose “Yes” extra reward would motivate them to work harder, but 4 chose “No”. The fourth question based on the ability to be promoted, 6 employees were willing to study in order to get promotion.
The next ten questions refer to working condition at AB Älvkarlebyhus. One aspect of the questionnaire is the relationship with managers, co-workers, and another is working facilities. Two other aspects are working space and working times. Eight respondents thought the relationship with managers and co-workers would influence their work performance. Paternalistic relationship and democratic relationship were chosen by the employees as the type of relationship that would motivate them to perform better. Four employees believed a friend relationship between co-workers would encourage their work performance. In respect of working facilities, half of the respondents felt that the working facilities would influence their work performance. One said advanced working facilities, and four useful working facilities would stimulate them to perform better. In respect of working space, five confirmed its influence on their work performance, and six wanted more space. Six surveyed respondents wanted to reduce the working hours from 8 hours/day to six hours/day.

Next is the education factor. The question was “Is there any professional training within your company?” The respondents offered had Yes and four No responses. Among the replies was technical training, and yet when asking about the University for Further Study, close to 90% of employees advised they would decline training.

In respect of recognition, 100% of the respondents agreed that the effective function of verbal praise worked, but only one employee believed that verbal berating has the same influence. For responsibility, only four employees were willing to get more important work.

In respect of fairness, technical skills, and management and communication skills, there were five, six, and six positive responses respectively, which agreed the positive impact of these elements on their work performance. Four respondents believed the managers’ management skills needed to improve and five thought managerial communication skills also needed to improve.

In respect of internal company documents, the respondents did not give much emphasis. Two, five, two and four respondents respectively, said “Yes” towards the company’s business plan, annual report, retirement plan and health insurance having a positive effect on their work performance.
Working hours and holidays, has 50% of the respondents indicate their willingness to work harder if can have extra holidays, while 90% had worked overtime, but only two thought it had a negative impact on their performance.

The second part is to choose the existing motivators in the company.

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
</tr>
</thead>
<tbody>
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<td>0</td>
<td>Extra reward</td>
<td>1</td>
<td>Promotion</td>
<td>1</td>
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<tr>
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<td>Relationship with co-workers</td>
<td>3</td>
<td>Working facilities</td>
<td>0</td>
<td>Working space</td>
<td>1</td>
</tr>
<tr>
<td>Working time</td>
<td>6</td>
<td>Professional training</td>
<td>1</td>
<td>Further study at University</td>
<td>0</td>
<td>Verbal praise</td>
<td>1</td>
</tr>
<tr>
<td>Verbal berating</td>
<td>0</td>
<td>More space and freedom to work in</td>
<td>1</td>
<td>The chance to do important work</td>
<td>2</td>
<td>Fairness</td>
<td>3</td>
</tr>
<tr>
<td>Management skill</td>
<td>0</td>
<td>Communication skill</td>
<td>2</td>
<td>Business plan</td>
<td>1</td>
<td>Paper report</td>
<td>0</td>
</tr>
<tr>
<td>Holidays</td>
<td>5</td>
<td>Overtime work</td>
<td>2</td>
<td>Sound retirement plan</td>
<td>2</td>
<td>Sound health insurance</td>
<td>1</td>
</tr>
</tbody>
</table>

Figure 4.2: Empirical data for the existed motivators in the company

Source: the questionnaires of the employees in AB Älvkarlebyhus, 2011.

Raise salary has been chosen twice, working time six times, holidays five times, relationship with co-workers three times, professional training for one time, more space and freedom to conduct work one time, communication skill twice, overtime twice, extra reward once, the chance to do important work twice, business plan once, sound retirement plan twice, promotion opportunity once, working space once, verbal praise once, fairness three times, and sound health insurance once.

The third part is to choose the motivators that do not exist at present but which would possibly be effective.
<table>
<thead>
<tr>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
<th>Motivator</th>
<th>Count</th>
</tr>
</thead>
<tbody>
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<td>Bonus</td>
<td>4</td>
<td>Extra reward</td>
<td>3</td>
<td>Promotion</td>
<td>2</td>
</tr>
<tr>
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<td>2</td>
<td>Relationship with co-workers</td>
<td>2</td>
<td>Working facilities</td>
<td>0</td>
<td>Working space</td>
<td>1</td>
</tr>
<tr>
<td>Working hours</td>
<td>3</td>
<td>Professional training</td>
<td>0</td>
<td>Further study at University</td>
<td>0</td>
<td>Verbal praise</td>
<td>3</td>
</tr>
<tr>
<td>Verbal berating</td>
<td>0</td>
<td>More space and freedom to conduct work</td>
<td>0</td>
<td>The chance to do important work</td>
<td>1</td>
<td>Fairness</td>
<td>3</td>
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<tr>
<td>Management skills</td>
<td>2</td>
<td>Communication skills</td>
<td>3</td>
<td>Business plan</td>
<td>0</td>
<td>Annual report</td>
<td>0</td>
</tr>
<tr>
<td>Holidays</td>
<td>1</td>
<td>Overtime working</td>
<td>1</td>
<td>Sound retirement plan</td>
<td>4</td>
<td>Sound health insurance</td>
<td>4</td>
</tr>
</tbody>
</table>

Figure 4.3: Empirical data for non-existent motivators in the company

Source: the questionnaires of the employees in AB Älvkarlebyhus, 2011.

Raise salary has been chosen four times, relationship with the manager twice, working hours three times, management skills twice, holidays once, bonus four times, relationship with co-workers twice, communication skills three times, overtime once, extra reward three times, the chance to do important work once, sound retirement plan four times, promotion opportunity twice, working space once, verbal praise for three times, fairness three times, and sound health insurance four times.

The last part allowed respondents to write down which motivators are needed by you and can stimulate your better performance. Give your suggestions about those motivators attracted no responses.
5 Analysis

This chapter critically analyses the empirical and secondary data. The structure follows the model presented in Chapter 3. The discussion will serve as the foundation for the conclusions in the next section.

5.1 Wages

Wages here are composed of three parts, salary, bonus and extra reward. In Tomas’ theory, wages belong to monetary motivation. And in the first level of Herzberg’s theory, wages are extra-job factors that “covered all results of events in which compensation plays a role”. The specific content can be seen in Chapter 2.2.

In Sweden, state and private companies are the two kinds of enterprises that exist. In state companies there is only the fixed salary, no bonus and extra reward. In AB Älvkarlebyhus, the employee salary is between 22,000 kronor and 26,000 kronor. The gap from the lowest to the highest is narrow with the lowest meeting state requirements. Although annual salary reviews are conducted in the organisation, the salary is constant the whole year and would not change according to performance.

The result of the employee questionnaire shows that 40% of respondents claim they would work harder if given more salary, and 50% and 60% believe bonuses and extra rewards would be the most effective way to motivate their performance. Monetary motivation including salary, bonuses, and extra rewards are needed by the employees.

Compared with the theory, wages indeed play an effective role that improve employee performance and 50% of the employees claimed they would work harder if given more salary, bonuses and extra rewards.
5.2 Promotion

Promotion is career-orientated motivation (Chapter 2.3.2). Promotion opportunities are a key factor in improving the career-orientated employee’s performance and contribution to the organisation.

The management level consists of four people with a CEO, CFO, property manager, and real estate manager. The AB Älvkarlebyhus business plan indicates that managerial positions are safe unless the people choose to leave. It is impossible for employees to be promoted from clerk to manager if the manager is still employed in the company. The respondents had 60% claim they would achieve better work performance and improve their professional skills to be given priority when filling vacant managerial positions. Thus, using promotion as an employee motivator in AB Älvkarlebyhus is not practical.

As our theory described, promotion is crucial to increasing the employees working performance. In AB Älvkarlebyhus, 60% of respondents accept this concept.

5.3 Working condition

Working conditions can be divided into two parts, working facilities and the social environment. In Chapter 2.3.3, managers should provide sufficient and hitech facilities while ensuring employee safety in comfortable and sufficiently-sized workplaces.

From the managerial perspective, the working facilities are all advanced and hitech since the relocation to new offices. Among the respondents 50% of believe that advanced and useful facilities would stimulate better performance.

Managers describe their style of management as democratic. Among the respondents 30% chose paternalistic management and only 2 of 10 employees chose democratic management. Although the manager believes the working space and working hours are suitable, 60% of respondents want more space to conduct their work in and 60% would prefer working 6 hours per day.

The results of the questions towards the working condition confirm the validity of the theory. Based on such results, more activities aimed at improving working conditions should be
implemented.

5.4 Education

As stated in Chapter 2.3.2, those organisations that focus on improving the technical aspect of employee skills will have a higher probability that organisational groups will become high performance teams (Wheelan, 2010, p.14).

In AB Älvkarlebyhus, employees have the freedom to go to the University to study further, yet 90% of the respondents indicated that they would not avail themselves of this opportunity. Professional training is not available to all employees, and 60% of respondents received but 40% did not. As a professional housing company, updated technical training is necessary for quality service.

Since lots of employees are eager to get technical training, it is likely that organisational groups will become high performance teams.

5.5 Recognition

Recognition occurs in different forms, such as notices, praise, even blame by another person. The person can be supervisor, a client, a peer the public and others. This is the first element of job factors in Herzberg’s theory (see Chapter 2.2).

Verbal praise and verbal berating are the opposite methods that the manager could apply in their management of employees. As a practical example this could entail, in regular meetings, praising someone for outstanding work or nagging someone for improved quality of work. The respondents had 100% support for verbal praise but only one respondent felt that verbal berating would improve work performance.

In Herzberg’s theory, verbal praise and verbal criticism can both be classified as recognition. In reality, within AB Älvkarlebyhus only verbal praise can cause recognition. Therefore the managers should apply verbal praise in their management rather than verbal criticism.

5.6 Responsibility

The theories about responsibility appeared in Herzberg’s theory and also in career-orientated
motivation (see Chapter 2.2 and Chapter 2.3.2). Herzberg’s theory describes the forms of responsibility, while the other theory indicates responsibility as an employee motivator.

In AB Älvsjöhus, the manager allocates more important work to better performing employees. The lower the performance level, the lower the importance of work allocated. The difference in work performance between employees is a big problem for the company since the income earned per employee would be the same whatever their performance. Consequently 90% of respondents are reluctant to work harder if they can get more space and freedom (responsibility) to conduct their work. Furthermore, 50% of respondents would not work harder even if they have a chance to do more important work.

Responsibility does not appear to be successful as a motivator in AB Älvsjöhus, as more important work means nothing to the employees. However, in order to maintain service quality at its current level, the management team should persist with this approach or grading and allocating work.

5.7 Coaching skills

In this study, coaching skills involves three elements what are fairness, management skills and communication skills (see Chapter 2.2 extra-job factors).

It is the managers’ belief that they treat everyone the same. In an attempt encourage increased performance Martin tries his best to be a good friend by talking with his employees, and to eat lunch with them.

In the employee questionnaires, 50% of respondents think that the managers’ treating every employee fairly would influence their working performance, and 3 out of 10 employees believe that the managers actually do so. A further 60% of the respondents agree that the manager’s management and communication skills would affect their working performance. In respect of the management skills, social knowledge, “all things” are the requirements from the employees. In respect of communication skills, 50% of the respondents want the managers to improve. The figures above fully illustrate that AB Älvsjöhus needs improving both the skill in management and in communication. Such being the case, the managers should attach importance to the problems, efforts to improve the management skill and communication skill.
5.8 Company administration or policy

A three-year business plan is completed by AB Älvkarlebyhus every three years. The content of the business plan includes all aspects of the company, from the macroscopic view to the very specific situations within the company. To the manager, the business plan is a regulatory document that motivates their work, but it is not a motivator to the employees. The annual report refers mainly to the yearly salary reviews, which is affected by the performance of the employee. A clear written report about employee motivation does not exist within the company.

According to 20% of the respondents, the business plan is a positive factor to motivate their work. Written reports about employee motivation do not exist. The respondents were equally divided between those who wanted such a report and those that did not.

Company administration or policy has little effect and cannot be considered a motivator within AB Älvkarlebyhus. As defined by Herzberg.

5.9 Personal Life

Personal life includes holidays and overtime (see Chapter 2.2 extra-job factors).

Martin advised that Sweden has long holidays at around 20 days, and AB Älvkarlebyhus allow these holidays, therefore it is not necessary to reward employees with additional holidays in return for increased performance. It is the nature of an accommodation enterprise that overtime is inevitable for the repair and maintenance staff working outdoors. Martin believes that staff working overtime during a customer crisis, would be considered a good employee.

While 90% of the employees had done overtime, only 50% indicated they would work harder in return for more holidays.

Herzberg’s theory towards personal life does not have practical meaning to AB Älvkarlebyhus in respect of holidays.
5.10 Job security

Retired plan and health insurance belongs to the job security that guarantees the employee’s job (see Chapter 2.2).

In AB Älvkarlebyhus’ latest business plan (2011-2013), the content included matters relating to retirement plans. Although there is no specific retirement plan, there are procedures related to retiring employees. More than half of the respondents expected the company to establish a retirement plan and health insurance.

No formal retirement plan and health insurance exist within the company. Information and research concerning a retirement plan and health insurance should be prepared.
6 Conclusion

This chapter presents the final comments towards the research questions, and also explains why the findings differ or do not differ from the theories. What’s more, we reflect once more on our study and the method we used and suggest studies for the future.

6.1 Findings

The three research questions are reviewed in this section.

What kinds of motivators is AB Älvkarklebyhus using?
As a state enterprise that is 100% owned by the Älvkarleby municipality, AB Älvkarklebyhus does not use monetary motivators. Non-monetary motivators that specifically satisfy working hours and holidays, the democratic relationship between managers and employees, the provision of professional training and a greater working areas, the freedom to conduct work, the chance to do important work, managerial communications with employees, the business plan, the retirement plan and health insurance, fairness and verbal praise are used by the company.

The use of the above motivators does impact on the employee work performance. But use does not mean well used, and many of these motivators such as democratic relationships between managers and employees, and professional training only exist within the company. The respondents have clearly indicates that they are eager to have efficient motivators. AB Älvkarklebyhus still has a long way to go.

Which factors are effective and which are not effective at AB Älvkarklebyhus?
According to the respondents, effective factors include salary, bonus, extra rewards, promotion opportunities, democratic relationships between managers and employees, more space and freedom to work, working hours reduced to 6, professional training, verbal praise, the chance to do important work, the business plan, the retirement plan, promotion opportunities, fairness and health insurance. Non-effective factors include verbal criticism blame, and further study opportunities at the university.
As stated, monetary motivators are included but impractical in the AB Älvsborg region context. Therefore managers should place emphasis on the use of the effective motivators, excluding the monetary motivators. Ineffective factors include verbal criticism and university study opportunities.

**How to motivate employees in working environment?**

1. **Promotion:** record and track staff performance history and review these staff records when assessing staff to find a replacement for a manager who is leaving.
2. **Working conditions:** execute a series of activities such as internal staff sports competitions and company travel in order to improve relationships with staff.
3. **Education:** Hold discussions every month or two to discuss staff questions on current issues.

**6.2 Recommendations**

In respect of salaries, bonuses and extra rewards are extremely effective according to the respondents. However, because it is a Swedish state enterprise, AB Älvsborg can do nothing about it.

Promotion: Based on the current situation at AB Älvsborg at a management level, only the management layer is constituted of only four personnel. It’s impossible to get promotion opportunities unless a manager quits the job, yet 60% of the respondents indicated that they were willing to work harder to get promotion. It is suggested that the company record and track staff performance history and review these staff records when assessing staff to find a replacement for a manager who is leaving.

Under the item of working conditions, it is recommended that the managers execute a series of activities such as internal staff sports competitions and company travel in order to improve relationships with staff.

In respect of education that managers hold discussions every month or two to discuss staff questions on current issues.
Recognition through verbal praise can motivate employees it better performance. The managers should be quick to give verbal praise. Verbal criticism has no impact and should be avoided.

In respect of responsibility, the managers distribute work based upon its relative importance to the company and the performance of the employees. AB Älvkarklebyhus can continue doing things this way.

Technical supervisory skills are about the communication between managers and employees. Although the interaction between the two staff levels is frequent, there are other ways to enhance communications such as establish an open discussion group on the Internet, and hold an afternoon tea time activity every Friday. In this way, the managers and the employees can have more communication with each other.

Company administration or policy and job security belong in the area of internal company regulations. There are no recommendations.

Personal life is currently addressed by AB Älvkarklebyhus complying with official Swedish holiday regulations. Nothing further can be done.

6.3 Reflection on the study

This study was selected AB Älvkarklebyhus’ CFO, Martin, agreed to an interview. The theoretical framework was presented and the researchers maintained contact with the CFO throughout the study. The three other managers should have been interviewed together with all employees. However, only one manager agreed to be interviewed and 55% of the employees responded. It is recommended that future studies should execute more interviews with the managers and employees and even get data from the municipality to know about company administration or policy.

6.4 Significance and Suggestion for future research

The whole study is focused on the employee motivation at AB Älvkarklebyhus. AB Älvkarklebyhus, as a typical Swedish housing company, it is a state enterprise. Analysing its
employee motivation can give useful insights formation for all Swedish housing companies. It is important that managers find the employee motivators and apply them. This study collected empirical data from the manager and the employees, and the data from both groups was then compared. The findings would be of interest to other Swedish housing companies or possibly all state enterprises.

Due to time and space limitations, only one manager was interviewed, and feedback was only received from 55% of the employees. Future researchers should interview all four managers and all of the employees and other motivational aspects ignored in this study can also be researched.
References


Public Servant. (2007) *Building brand values through internal marketing: starting with service in the UK banking industry*. Emerald Group Publishing Limited, 23(6).


APPENDIX 1-The questions list of CFO’s interview

◆ Basic information
1. What’s the enterprise type that Älvkarlebyhus belongs to? (Limited?)
2. How much of the registered capital in 1997?
3. How is your asset size now? (total asset) And average sales revenue, gain and loss in recent years.
4. Talk about your company vision, goal and culture.
5. How many departments are there in AB Älvkarlebyhus? Can you identify them, their employee number and responsibility respectively?
6. What’s the major work of AB Älvkarlebyhus? Do you do all the work by yourself? Which is the most important part of your work?
7. The board of directors consists of politicians from the municipality, what is their role? (All managers appointed by the municipality?)

◆ Motivate Employee
1. As an accommodation service company, can you tell us the importance of the employee’s role in AB Älvkarlebyhus?
2. In order to service customers better, how do you motivate your employees?
3. Is there any employee motivation system existed in AB Älvkarlebyhus? If existed, explain it. (Give us some papers or reports about it)
4. What measures do you use to motivate your employees?
5. Motivation measures can be divided into two types, monetary and non-monetary. What monetary and non-monetary measures your company would take to motivate employees? Which type is more effective?
6. How do you award your employees?
7. In the aspect of working environment, social environment, promotion, job enrichment, salary, bonus and holiday, what measures do you take to motivate employees? How is the result? What are the advantages and the disadvantages you meet? Problems in the process.
8. How do you find out each employee’s motivator?

9. Would you listen to your employees’ ideas when taking motivation measures? How do you do?

10. Do your employees change frequently? (If well-performed employees choose to leave, what measures do you take to retain them or recruiting new employees instead?)

11. To retain well-performed employees, what will you do?

12. During the process of motivating people, do you encounter any problems? Talk about such problems.

13. How do you deal with such problems? /How do you avoid such problems?

14. From your experience, what matters need attentions during the process of motivate and retain employees.

◆ Management
  1. Does AB Ålvkarlebyhus have any management training program?
  2. Do you hire any administrative organization to manage the company?

◆ Others
  1. What do you think about the future?
  2. Do you want to add something we missed?
  3. Do you recommend us to interview other person?
We are the students from the University of Gävle. "How to motivate employees within the company?" is the subject of our master thesis. To choose Ålvkarlebyhus as our case company, we need your help to fill in the employee questionnaire. Thank you for your cooperation!

NOTE: DOOG EXAMPLE

We are the students from the University of Gävle. "How to motivate employees within the company?" is the subject of our master thesis. To choose Ålvkarlebyhus as our case company, we need your help to fill in the employee questionnaire. Thank you for your cooperation!

NOTE: DOOG EXAMPLE

Sex: male □ female □ Position: Date: 

Del I valet av motsvarande grad för följande motivationsfaktorer

1. Om du skulle få mer i lön baserad på den ursprungliga lönen, kommer du att arbeta mer ihåligt? □ Ja □ Nej

2. Om du skulle få bonus för att motivera ditt arbete, skulle det blir mer effektivt? □ Ja □ Nej

3. Om du skulle få extra belönning för att motivera ditt arbete, det skulle effektivt? □ Ja □ Nej

4. Vill du arbeta hård och förbättra din yrkeskicklighet för att få en möjlig befattning? □ Ja □ Nej

5. Skulle din relation med chefen influera din arbetsprestanda? □ Ja □ Nej

6. Om ja, vilken slags relation med chefen skulle motivera dig att presteras bättre? □ Enväldig □ B. Paternalistisk □ C. Demokratisk □ D. laissez-faire □

7. Skulle relationen med dina medarbetare influera din arbetsprestanda? □ Ja □ Nej

8. Om ja, vilken slags relation med dina medarbetare skulle motivera bättre prestanda? □ A. Vänner □ B. Konkurrent □ C. Det spelar inge roll □

9. Skulle dina arbetsförhållanden påverka din arbetsprestanda? □ Ja □ Nej

10. Om ja, vilken typ av arbetsförhållanden skulle stimulera dig till bättre prestanda? □ A. Avancerad □ B. Senaste □ C. användbar □ D. hög teknisk □ E. Det spelar inge roll □

11. Uttrycket när du utför ditt arbete skulle influera din arbetsprestanda? □ Ja □ Nej

12. Vill du ha mer utrymme att bedriva ditt arbete? □ Ja □ Nej

13. Är du nöjd med din arbetstid? □ Ja □ Nej


15. Finns det någon yrkesutbildning inom ditt företag? □ Ja □ Nej

16. Vilken typ av fortbildning kan bäst motivera din arbetsprestanda?
17. Kommer du bedriva vidare universitetsstudier om du får chansen?  Ja ☐  Nej ☐
18. Är positivt beröm ett effektivt sätt att uppmuntra dina resultat?  Ja ☐  Nej ☐
19. Är negativt beröm ett effektivt sätt att stimulera dina resultat?  Ja ☐  Nej ☐
20. Kommer du att arbeta intensivare om du kan få mer utrymme och frihet att utföra ditt arbete?  Ja ☐  Nej ☐
22. Skulle chefernas behandling av medarbetarna påverka din arbetsprestanda?  Ja ☐  Nej ☐
23. Skulle chefens yrkesskicklighet påverka din arbetsprestanda?  Ja ☐  Nej ☐
24. Om ja, skulle chefens yrkesskicklighet behöver förbättra för att hjälpa dina arbetsprestande?  Ja ☐ Nej ☐
25. Skulle chefens kommunikations skicklighet skulle influera din arbetsprestanda?  Ja ☐ Nej ☐
26. Om ja, chefens kommunikations skicklighet behöver förbättra för att uppmuntra dig till ett bättre resultat?  Ja ☐ Nej ☐
27. Är det till hjälp att stödja ditt arbete genom företagets affärsplanen?  Ja ☐ Nej ☐
28. Finns det några rapporterangående anställdas motivation i ditt företag?  Ja ☐ Nej ☐
29. Är det positiv faktor för din arbetsprestanda att det finns rapport angående anställdas motivation inom företaget?  Ja ☐ Nej ☐
30. Kommer du att arbeta mera om du kan få extra semester?  Ja ☐ Nej ☐
31. Har du någonsin varit på övertid?  Ja, ganska ofta ☐  Ja, endast ett fåtal gånger ☐ Nej, aldrig ☐
32. Skulle övertidsarbete ha ett negativt inflytande på din prestation?  Ja ☐ Nej ☐
33. Existerar en pensionsplan inom ditt företag?  Ja ☐ Nej ☐
34. Om det existerar en pensionsplan inom företaget, skulle det vara en positiv faktor för din prestanda?  Ja ☐ Nej ☐
35. Finns det en bra sjukförsäkring i ditt företag?  Ja ☐ Nej ☐
36. Om det finns en bra sjukförsäkring inom företaget, skulle det vara en positiv faktor för att stimulera ditt arbetsresultat?  Ja ☐ Nej ☐
### Del II Väljia motiv som finns i ditt företag.  

<table>
<thead>
<tr>
<th>Höj lönen</th>
<th>Bonus</th>
<th>Extra- belöning</th>
<th>Befodrings möjlighet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Förhållande till chef</td>
<td>Förhållande till medarbetare</td>
<td>Arbeta anläggningar</td>
<td>Arbetarsrymd</td>
</tr>
<tr>
<td>Arbetstid</td>
<td>Yrkesutbildning möjligheter</td>
<td>University further study opportunities</td>
<td>Positivt beröm</td>
</tr>
<tr>
<td>Negativt beröm</td>
<td>Mer utrymme och frihet att utföra arbete</td>
<td>Chansen att göra viktigt arbete</td>
<td>Rättvisa</td>
</tr>
<tr>
<td>Management skickligt</td>
<td>Kommunikation skicklighet</td>
<td>Affärsplan</td>
<td>Paper rapport</td>
</tr>
<tr>
<td>Semester</td>
<td>Overtidarbete</td>
<td>Bra pensionerade plan</td>
<td>Bra sjukförsäkring</td>
</tr>
</tbody>
</table>

### Del III. Väljia motiv som inte finns i ditt företag (multiple choice)  

<table>
<thead>
<tr>
<th>Höj lönen</th>
<th>Bonus</th>
<th>Extra- belöning</th>
<th>Befodrings möjlighet</th>
</tr>
</thead>
<tbody>
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<td>Overtidarbete</td>
<td>Bra pensionerade plan</td>
<td>Bra sjukförsäkring</td>
</tr>
</tbody>
</table>

### Del IV  
Skriv ner vilka drivkrafter du behöver som kan stimulera din bättre prestanda. Ge dina förslag om dessa motivationsfaktorer.  

THANK YOU FOR YOUR HELP!
APPENDIX 3- The questionnaire for employees (In English)

We are the students from the University of Gävle. “How to motivate employees within the company” is the subject of our master thesis. To choose Älvskarlebyhus as our case company, we need your help to fill in the employee questionnaire. Thank you for your cooperation!

NOTE: DOOG EXAMPLE  
Sex: male ☐ female ☐ Position: ________ Date: ________

Part I choosing the corresponding degree for the following motivators

1. If give you more salary based on the original salary, will you work harder?  Yes ☐ No ☐

2. If give you bonus to motivate your work, it would effective?  Yes ☐ No ☐

3. If give you extra-reward to motivate your work, it would effective?  Yes ☐ No ☐

4. Would you like to work hard and improve professional skill to get promotion opportunity?  Yes ☐ No ☐

5. The relationship with the manager would influence your working performance?  Yes ☐ No ☐

6. If yes, which kind of relationship with the manager would motivate you to performance better?  A. autocratic ☐ B. paternalistic ☐ C. democratic ☐ D. laissez-faire ☐

7. The relationship with co-workers would influence your working performance?  Yes ☐ No ☐

8. If yes, which kind of relationship with co-workers would motivate you to performance better?  A. friends ☐ B. competitor ☐ C. It doesn’t matter ☐

9. The situation of working facilities would influence your working performance?  Yes ☐ No ☐

10. If yes, which kind of working facilities would stimulate you to performance better?  A. advanced ☐ B. latest ☐ C. useful ☐ D. high-technical ☐ E. It doesn’t matter ☐

11. The space when conducting your work would influence your working performance?  Yes ☐ No ☐

12. Do you want more space to conduct your work?  Yes ☐ No ☐

13. Are you satisfied with your working time?  Yes ☐ No ☐
14. How many working hours per day is proper in your mind?
   A. _______   B. I don’t care

15. Is there any professional training within your company?  Yes □ No □

16. Which kind of professional training can best motivate your working performance?

17. Will you go to the University for Further Study if you get the chance?  Yes □ No □

18. Is verbal praise an effective way to encourage your better performance?  Yes □ No □

19. Is verbal blame an effective way to stimulate your performance?  Yes □ No □

20. Will you work harder if can get more space and freedom to conduct your work? Yes □ No □

21. Will you work harder in order to have the chance to do the more important work?  Yes □ No □

22. The managers treat each employee fairly or not would influence your working performance? Yes □ No □

23. The managers’ management skill would influence your working performance?  Yes □ No □

24. If yes, your managers’ management skill needs to improve to encourage your better performance?  Yes _______ (which aspect) No □

25. The managers’ communication skill would influence your working performance? Yes □ No □

26. If yes, your managers’ communication skill needs to improve to encourage your better performance?  A. Yes _______  B. No □

27. Is it helpful to supporting your work through the company’s business plan? Yes □ No □

28. Is there any paper report about employee motivation in your company?  Yes □ No □

29. Is a positive factor for your work performance that has paper report about employee motivation within the company?  Yes □ No □

30. Will you work harder if you can get extra holidays?  Yes □ No □

31. Have you ever been working overtime?  Yes, quite often □ Yes, only few times □ No, never happen □
32. Working overtime would have bad influence on your performance? Yes ☐ No ☐

33. Is there exists sound retired plan in your company? Yes ☐ No ☐

34. If exists sound retired plan within the company, it would be a positive factor for your better performance? Yes ☐ No ☐

35. Is there exists sound health insurance in your company? Yes ☐ No ☐

36. If exists sound health insurance within the company, it would be a positive factor to encourage your work performance? Yes ☐ No ☐

Part II. Choose existed in your company from the following motivators. (multiple choice)

<table>
<thead>
<tr>
<th>Raise salary</th>
<th>Bonus</th>
<th>Extra-reward</th>
<th>promotion opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with the manager</td>
<td>Relationship with the co-workers</td>
<td>Working facilities</td>
<td>Working space</td>
</tr>
<tr>
<td>Working time</td>
<td>Professional training</td>
<td>University further study opportunities</td>
<td>Verbal praise</td>
</tr>
<tr>
<td>Verbal blame</td>
<td>More space and freedom to conduct work</td>
<td>The chance to do important work</td>
<td>Fairness</td>
</tr>
<tr>
<td>Management skill</td>
<td>Communication skill</td>
<td>Business plan</td>
<td>Paper report</td>
</tr>
<tr>
<td>Holidays</td>
<td>Overtime working</td>
<td>Sound retired plan</td>
<td>Sound health insurance</td>
</tr>
</tbody>
</table>
Part III. Choose out not existed in your company but would effective motivators (multiple choice)

<table>
<thead>
<tr>
<th>Option</th>
<th></th>
<th>Option</th>
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</tr>
</thead>
<tbody>
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<td></td>
<td>Sound health insurance</td>
<td></td>
</tr>
</tbody>
</table>

Part IV  Write down which motivators are needed by you and can stimulate your better performance. Give your suggestions about those motivators.

THANK YOU FOR YOUR HELP!