Retaining Top Talent

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Abstract

The overall purpose of this research report is to determine what are the key enablers in the retention of top talented retail managers. The research focused on the work expectations of Generation Y employees. Literature in this area showed a lack of insights into the work motivations of Generations Y retail managers and within an Irish context.

The study adopted a quantitative approach. A questionnaire survey was issued to the total research population to gain a fuller understanding of the work motivations. The questionnaire was based on Herzberg’s motivational theory.

It was found that management failing to lead is the main contributor to influence employees’ decision to resign. This finding supported the literature argued by various authors. Within an Irish context, career advancement is the key motivator for Generation Y retail managers.
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Chapter 1: Introduction

The overall purpose of this research report is to determine what are the key enablers in the retention of top talented retail managers. The study will review literature that explores the reasons why people leave organisations aiming to identify key factors that motivate and retain talented managers.

The researcher’s interest in this topic stems from working in HR in the retail sector and experiencing the impact of high employee turnover. Due to the changes in the economy the unemployment rate according to CSO figures are at its lowest since 2008 at 6.4% (CSO, 2017). This is a significant improvement from 14.7% when it was at its highest in 2012. The impact of a healthy employment market is that it creates challenges for employers to retain top talent. In addition to this challenge, there are new work expectations within the current employment market that employers need to understand.

In recent years there has been a lot of discussion regarding the varying work behaviours within the different generations. While there is a vast amount of literature regarding motivational theories and work expectations of Generation Y employees, there is an absence within a retail and an Irish context. This study will focus on identifying the work expectations and motivations for Generation Y retail management in an Irish context.
Chapter 2. Literature Review

2.1 Introduction

This research aims to identify what are the key enablers to retain top talented retail managers. The literature review explores the definition of talented employees and considers the impact of employee turnover in organisations. In so doing, it is important to determine the reasons why people leave organisations so that we can identify how best to retain talented employees. The literature review will focus on employee retention within the retail sector, while researching literature specific to Generation Y employees. Life Style Sports Retail Managers were all born in the years classified as Generation Y, therefore this research report will focus on, and determine if the retention enablers referenced for Generation Y employees are applicable to retail management in Ireland.

2.2 Top Talent

Talent is a term used to describe an employee’s performance as “outcomes achieved and accomplishments made at work”, Anitha (2014, p. 309). The term ‘top talent’ is defined as something “valuable, rare and hard to imitate”, and such talent leads to exceptional performance (Govarts, Kyndt, Dochy & Baert, 2011, p. 36). The literature in this study refers to talented employees as high performing individuals (Sigler, 1999).

As talented employees drive performance, retaining these high performers is a “source of advantage for an organisation” (Sigler, 1999, p. 1). According to Ingham (2006) the topic of retaining top talent has become a major concern of senior management. In a survey conducted in Accenture consulting, retaining talent was the third biggest concern among senior management (Ingham, 2006, p. 2). As the retail services industry consists of
employees interfacing directly with customers, retaining talented satisfied members of management is crucial to the success of the organisation.

2.3 Cost of Employee Turnover

The impact of losing talented employees is a direct loss of investment for organisations (Govarts et al., 2011). Costs associated can be classified both as direct and indirect. Various authors reference the direct cost of employee turnover which include the expense of advertising, temporary cover, over-time, fresh interviewing, induction training and uniforms (Taylor, 2014). Indirect costs are classified by Kodwani and Kumar as, “loss of knowledge and skills, loss of productivity, reduced productivity and new competitive pressure” (Gosh, 2011, p. 291). The resources required in organising interviews, completing references, issuing contracts or designing a training programme, could also be classified as indirect costs. There are different perspectives on how to quantify the direct and indirect costs. Porter argues that it can cost between 50% to 100% of an entry level’s salary (2011). This is a significant cost to a business. In light of all the costs associated with employee turnover, it is important that organisations have retention strategies to proactively manage this valuable asset.

Jacobs, (2007) notes that a further challenge with employees resigning, is the fact that their departures could also lead to others deciding to leave. Investigating the push and pull factors which influence decisions to resign should be explored in order to discover whether employee departures influence the decisions of co-workers, because such decisions to leave, pose additional costs to the organisation. Sigler (1999) discusses the impact of trying to retain top talent who are considering resigning, and the possibility of them demanding higher wages, along with other challenges such as employees not complying with
organisations practices or interacting well with management (Sigler, 1999). It is therefore important to understand what motivates employees to remain in an organisation, so that a proactive policy of employee retention is fostered, rather than incurring the preventable costs of employee turnover.

Bandura & Lyons (2014) reference that a 30% to 40% turnover rate in the customer service retail sector is common. In light of this high rate, it is worth examining the causes of people leaving an organisation in order to determine the key enablers to retain talented employees that drive organisational success. Jacobs (2007) makes this point abundantly clear when he argues that, investing in retaining employees is less expensive than replacing them.

2.4 Causes of Employee Turnover

Taylor (2014) categorises employee turnover into push and pull factors. Push factors refer to job dissatisfaction with the current employer, whereas pull factors refers to another organisation offering a more attractive offer, even though there may be high levels of job satisfaction. For the purposes of this literature review, push factors will be further explored as they are within an employers control.

It is important to understand the push factors so that the significant costs associated with employee turnover can be minimised. According to Morgan (2008), “the number one reason that employees choose to leave a company is that their managers fail to lead” (p. 120). Jacobs (2007) supports this statement and underlines that successful retention is driving by seven key factors (p. 18).

1. Management that listen

2. Regular communications and feedback
Arguably, if managers fail to lead, access to each of the above factors will be affected. Therefore, supervisors and line managers’ style of management or their leadership skills, play a significant part and impacts on the job satisfaction levels of their subordinates. Because of the critical role that management plays in the whole area of employee turnover, understanding the different styles of leadership will be explored further in this literature review.

A study conducted in 2014 by Deloitte Consulting found that of the employees who intend to leave their current employer, “44% do so” (Bandura & Lyons, 2014, p. 31). In this study, the push factors that encouraged employees to look for another role were:

- 27% - Lack of career progress,
- 22% - Dissatisfaction with their manager,
- 21% - Lack of compensation & incentive bonuses.

The same report identified what would encourage employees to remain:

- 44% - Financial incentive or bonuses,
- 42% - Promotion,
- 41% - Additional compensation,
- 26% - More flexible working arrangements,
- 25% - More support from managers.
Considering what Deloitte discovered along Jacobs’ identified seven factors noted earlier, it can be argued that management, compensation, career progression and work environment influence peoples’ decision to leave. Porter, (2011) argues that most turnover can be prevented once the focus is on key performers as a strategy.

2.5 Retail Services Industry

Within the service industry, it is imperative for the performance of the business that employees who interface directly with customers display positive attitudes and behaviours. Management and leaders in the retail industry therefore have a responsibility to ensure employees are satisfied in their work as this is portrayed in their behaviour when interacting with customers. Hellawell (2012) notes that “satisfied employees make for satisfied customer” (p. 3). Therefore “salesperson satisfaction is becoming increasingly important and a topic of boardroom discussion” (Friend, Johnson, Rutherford & Hamwi, 2013, p. 419).

In a survey conducted in the Malaysian retail sector it was found that salespeople place a greater emphasis on hygiene factors, namely working conditions and money (Teck-Hong & Waheed, 2011). It was found that job satisfaction was key to the success of the business because of the direct link between the performance of satisfied salespeople and higher profits for the organisation (Teck-Hong & Waheed, 2011). Ware (2014) reinforces the argument that there are other more important factors that are more important for retail employees other than pay or their relationship with their manager and that employers are now being forced to think of innovative ways to retain talent and be an employer of choice.
2.6 Generation Y

Generation Y individuals are born between 1980 and 2000 (Aruna & Anitha, 2015). This generation make up the majority of the workforce today (Lassen, 2015). Come 2020, this generation will consist of 50% of the workforce, therefore it is imperative for organisations to understand this talent pool and how to retain them (Ware, 2014). Given that this generation grew up in an instant digital world with access to mobile devices, the internet and educational opportunities, there is a lot of literature analysing and describing the characteristics and different work expectations of these employees. This entire area is essential to explore so that HR and business leaders can engage and retain these employees. Generation Y employees are described as “self-focused and transient, they are highly educated, ambitious and career-orientated individuals”, focused on career development, work-life balance and quality in the workplace”, (Kong, Wang & Fu, 2015, p.148).

Generation Y Employee Expectations

This generation “self-manage their careers, they expect their employers to provide them with effective career support and to accommodate their expectations” (Kong, Wang & Fu, 2015, p. 148). Whereas previous generations looked for job security from management, Generation Y employees expect an inclusive style of management and a good working environment (Aruna & Anitha, 2015). Generation Y employees hold work values such as responsibilities, compensation, work environment, advancement potential and free time as important motivational factors (Crumpacker & Crumpacker, 2007). Aydogums (2016) describes their behavioural expectation as instant; that they seek instant feedback and employers need practices that respond to this.
Dobson (2016) discusses the expectations of the Generation Y employees and stresses that HR practitioners need to lead the way in devising strategic succession plans so that managers are prepared to lose talent. This generation of employees will not be committing to one employer for seven or eight years’, therefore HR should support management to prepare for expected turnover rather than focusing exclusively on trying to retain talent; accordingly we should embrace the shorter Company career life cycle (Dobson, 2016).

Ware’s (2014) research from a study conducted by Integral Talent Systems which examined what motivates Generation Y full-time employees in the U.S., indicated that 60% of the surveyed populations were currently looking for a new job despite being employed. Rogowski (2017) notes this expected level of turnover and states that the best companies prepare for it. Accepting that Generation Y employees will move to another organisation is fundamental to a company’s success. However, HR and business leaders should determine how to maximise performance during a short Company career life cycle in order to influence job satisfaction, drive sales, and ultimately retain top talent.

Kong, Wang & Fu (2015) discuss the importance of the work attitudes of employees in the hospitality service industry and the direct correlation to the performance of a company. “When employees are satisfied with their job and career, they tend to be more enthusiastic in their work and have a greater sense of responsibility, which enable them to provide better service to their customers” (Kong, et al., 2015, p.148). Therefore, understanding work motivations of Generation Y employees so that they have high levels of job satisfaction is fundamental to the commercial competitive advantage of the company that is aiming to reduce the cost and loss of employee turnover.
2.7 Motivational Theories

“Motivation is an internal force, dependent on the needs that drive a person to achieve” (Teck-Hong & Waheed, 2011, p 75). Morgan (2008) discusses the “perceived changes in employee loyalty and motivation” that leads to statements such as; “young people today are not as committed” and highlights the importance of employers understanding their motivations and taking ownership (p. 119). This suggests that high employee turnover rates will continue and that the age profile of an employee has an impact on their job motivations. This literature review will explore motivational theories and explore the characteristics and work attitudes of Generation Y employees in order to identify how to motivate and retain these talented employees. Motivational theories explain employees behaviour and their attitude towards work. It is worth exploring these theories to understand work motivations within the retail sector and Generation Y employees.

There are four motivational theories that are commonly discussed by authors. Forsyth (2006) lists these theories (p. 11):

1. Theory X and Theory Y consists of two separate concepts, theory X “makes an assumption that people are lazy” and refers to pushing people to work. Whereas, theory Y “takes the opposite view “assuming people want to work” (Forsyth, 2006, p. 11).

2. Maslow’s hierarchy of needs describes that peoples’ needs are satisfied “progressively” (Forsyth, 2006, p. 19). This theory argues that once someone’s basic needs are met, their other needs then increase. Peoples’ “motivations can only be satisfied if this hierarchy is respected” (Forsyth, 2006, p. 19).

3. Expectancy Theory is defined as “principles linked to the achievements of goals” (Forsyth, 2006, p. 23).

4. Herzberg’s motivator/hygiene factors consist of two categories:
a. “hygiene factors” that switch people off and,
b. “motivators factors” that make people feel good

As the purpose of this research is to understand why people leave organisations and to determine what are the key enablers to retain them, the theory that is deemed most relevant is that of Herzberg’s theory as it considers how to motivate people which impacts their level of job satisfaction with hygiene factors. This research will explore this theory further.

2.7.1 Herzberg’s motivator/ hygiene factor theory

Herzberg’s theory found that some job factors have a short-lasting motivation or could cause dissatisfaction, whereas other factors create long-lasting positive feelings towards the job. The role of the researcher is to identify what are the factors that cause dissatisfaction in order to understand how to motivate employees and create job satisfaction and discover whether job motivations impact employee retention for Generation Y employees.

Herzberg’s hygiene factors include (Forsyth, 2006, p. 21):

- Company policy
- Supervision
- Working conditions
- Salary
- Relationship with peers
- Personal life
- Status
- Security
Motivators include:

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Growth

Teck-Hong & Waheed (2011) applies Herzberg’s motivation theory to the Malaysian retail sector to explore the work motivations specific to Generation Y employees. There is a vast amount of literature describing the work characteristics of Generation Y employees. However, there is a gap within an Irish retail management context. Due to this absence of research, the literature review will discuss factors that motivate and create job satisfaction levels in broad terms while referring to Generation Y employees.

2.8 Creating Job Satisfaction

Understanding the Generation Y work attitudes and behaviours should influence how employers engage with employees to improve levels of job satisfaction. “Job satisfaction refers to the general attitude of employees towards their jobs” (Kong, Wang & Fu, 2015, p. 149). The challenge of assessing job satisfaction levels is the fact that it is behavioural (Valaei & Rezaei, 2016). To overcome this challenge, Aydogmus (2016) discusses the concept of emotional intelligence and how it is linked to job satisfaction (p. 1345). A manager with high levels of emotional intelligence will form relationships with employees
based on trust which ultimately delivers optimum results from the team. The role of management and leadership styles will be further explored in this literature.

“Low job satisfaction is a determinant of resignations from the workplace” (Forsyth, 2006, p. 76). It is worth applying Herzberg’s theory to evaluate job satisfaction levels which influence these decisions to resign. Considering the literature which refers to the work attitudes and expectations of Generation Y employees and Herzberg’s theory, the following factors are worth exploring further to understand their impact on job satisfaction levels: working environment, relationship with management, career development and reward and recognition.

2.8.1 Work Environment

The working environment consists of the physical, procedural and social aspects of work (Solnet, Kralj & Kandampully, 2012). Aydogmus (2016) reviews Generation Y employees and argues that the working environment is the key factor in satisfying employees. Teck-Hong & Waheed (2011) argue this point that satisfied workers perform better. According to Earle (2003) research studies have shown that the work environment is an important tool for recruitment and retention. It therefore impacts employees’ motivation levels and job satisfaction. Anitha (2014) researched the impact of employee engagement on employee performance at middle level management, and found that the working environment was the highest ranked factor to contribute to engagement at 53% (p. 318). There was a positive correlation between high levels of employee engagement and business performance, leading to better services to customers. Anitha (2014) notes that an engaged employee works beyond what is expected of them. Anitha (2014) defines employee engagement as the “level of commitment and involvement an employee has towards their organisation and
its values” (p. 308). Accordingly, “employee engagement is increasingly important for organisations that want to remain competitive and deliver a great customer experience” (MacGinty, Arthur, 2008, p. 1). When assessing an engaged employee, it’s worth noting differences in job satisfaction; how people feel about current or past events, as to motivation which relates to their expectations for the future (Hersey & Blanchard, 1998). Therefore, understanding these two factors of what people value and what they expect is important to consider.

**Physical**

“Empower your employees to create working conditions that they’ll never want to leave” (Porter, 2011, p. 59). Earle (2003) notes in a research survey that 51% of respondents stated that the physical working environment would affect their decision to leave a position (p. 248). The physical environment which includes the design of the workplace can influence the corporate culture and in turn can influence the performance of the team. For example, if the working environment includes a canteen that has facilities which encourages people to eat their lunch together fostering a social and inclusive culture.

**Procedural**

In Friend et al., (2013) research was found that a salesperson’s satisfaction with Company policy and how they relate to their co-workers, contributes to their job satisfaction levels (p. 429). As noted earlier, Generation Y employees place time with their friends and family as a priority over work (Aruna & Anitha, 2015). As they value their free time they expect organisations to have work life balance policies. Aydogmus (2016) discusses the change in job expectations of generation Y employees, that they no longer consider how they can go above and beyond for their employer, rather how can their employer meet their
expectations. Deery & Jago (2015) explore work life balance as a retention strategy for talented employees in the service hospitality industry. Deery & Jago (2015) reviewed the literature and frameworks by Deery (2008) which explores the push and pull factors as to why people leave organisations. The hospitality industry shares similar work conditions to the retail industry such as long unsociable hours and low pay, factors that may impact job satisfaction which is a push factor.

Social

“Generation Y wants to enjoy being at work, so creating a fun work environment is an essential key to retaining Generation Y employees” (Kilber, Barclay & Ohmer, 2014, p. 85). Anitha (2014) discusses how “team and co-worker relationships are significantly influential on employee engagement” (p. 319). Generation Y employees value collaborative styles of working, more inclusion in decision making, and shared goals with their co-workers. Organisations are in a better position to achieve their goals when everyone works together as a team (Hellawell, 2012).

An organisation will determine the type of work environment through the culture, which is essentially driven by the leadership styles and organisational values. Values are an organisations’ beliefs which influence behaviour, thereby determining the working environment. Bond emphasises the importance of an inspirational CEO, one who embodies the values and is accessible, as an important ingredient to engage Generation Y employees (Bond, 2016). The working environment that employees experience influences their attitude and behaviour towards their job and determines their level of job satisfaction (Solnet et al., 2012).
2.8.2 Management and Leadership

According to Bagga (2013) “around a third of people who leave their jobs cite the behaviour of their immediate supervisor as the reason” (p. 4). Citing ‘behaviour’ suggests that their manager performs in a manner that employees do not expect to be treated. Management is defined as “the process of making things happen” (Armstrong, 2012, p. 24). Managers ensure that tasks are completed by giving instructions to employees.

Considering the work expectations of Generation Y employees, they seek a more “inclusive style of management” (Aruna & Anitha, 2015, p. 96). Employees look for management that serve as mentors (Coley, 2009). This refers to a collaborative coaching style of leadership. Leadership is defined as “the ability to persuade others willingly to behave differently” (Armstrong, 2012, p. 4). Leaders gain respect and trust that brings people with them to accomplish goals. Leadership styles influence how people in an organisation behave and therefore impact on the performance of the overall company and employees’ decision to stay or leave (Yahaya & Ebrahim, 2016).

Ellehuus’s (2012) study supports this argument that people leave due to poor leadership. Ellehus’s (2012) study was conducted on 8,000 business leaders and it was found that strong talent management can raise employee efforts by 25%. Despite this fact only less than one fifth of senior executives have the commitment to talent management (2012, p. 84). The research found the following key results:

1. Talent Champions; which made up of 19% committed and effective talent managers. Teams led by these managers displayed effort levels of 25% greater than average with just a 6% risk of employee turnover
2. Talent rejecters; which represent 31% of management who were neither committed or effective at talent management. Their teams produced 20% less effort than the average, and 32% of them were at risk of employee turnover and, crucially their business profits were 6% lower than average.

It is notable that there is a higher percentage of ineffective leaders who value talent management which supports the argument that management influences employees’ decision to remain or leave an organisation. Irrespective of the work required or the physical working environment, if managers do not show a genuine interest in an employees’ career and invest in their development, it will de-motivate employees which will impact on their performance and the performance of the company. The style of management impacts employees’ level of job satisfaction.

Hellawell (2012) notes the importance of good two-way democratic communication to motivate employees. Giving feedback and acknowledging individuals is a way of rewarding employees and making them feel valued and appreciated. This is also true of management receiving feedback from employees so that they understand what is important to them and what they need to do differently to improve their own performances (Jacobs, 2007). A study conducted by Towers Watson identified that 71% of top performers who receive regular feedback are likely to stay in their jobs compared to 43% who rarely receive feedback (Rao, 2014). Rao (2014) defines feedback as a “forward-looking leadership tool to improve the performance of others” (p. 40).

The following are various styles and types of leadership styles which Armstrong outlines (2012, p. 11):
- Coercive – demands compliance
- Authoritative – uses their position to instruct or mobilise people
- Affiliative – motivates people and creates harmony
- Democratic – gets input from a collective group to build agreements
- Pacesetting – sets high results
- Coaching – develops people

Armstrong (2012) describes an effective leader as someone who knows what they want to achieve, displays confidence to lead the way, and brings people with them by earning respect. An effective leader has a strong degree of emotional intelligence to motivate teams and adapt their communication style in response to the situation (Armstrong, 2012).

Bagga (2013) argues that organisations should consider removing the responsibility of employee retention from HR and place this within each department. HR can influence policy and processes that impact working conditions, compensation, communication and career progression in the workplace. However, the leadership style displayed by individual members of management will determine employees access and how effective the processes and policies are. It is therefore fundamental to retention that management themselves are trained on effective leadership skills so that they manage and retain top talent, and as Bagga suggests, be held responsible.

Fox (2014) suggests a process for management to undertake so that they take responsibility for retention. This consists of developing personalised retention plans and “re-recruiting” employees. This is described as a process whereby management have conversations with employees in an attempt to recommit them to the Company (Fox, 2014, p.30). This process demonstrates to high performers that they are valued, while placing the emphasis on management to take ownership of employee retention. It could also identify which
employees are potentially at risk of leaving. This process of two-way communication places joint responsibility on management and employees in planning their career path in the organisation. Kong (2015) refers to this as a balanced theory of career management; a joint responsibility of the company and the individual to achieve effective performance goals to engage and retain talent.

2.8.3 Career Development

As noted earlier, Generation Y employees expect management to offer career development opportunities to achieve their own career goals. “Career development is concerned with shaping the progression of individuals within an organisation in order to provide those with promise a sequence of experience and learning activities that will equip them for whatever level of responsibility they have the ability to reach” (Armstrong & Taylor, 2017, p. 275). Some of the practices that Armstrong and Taylor (2017) suggest are that organisations should introduce defined career paths, personal development plans and multidiscipline project teams. Beardwell and Thompson (2014) discuss offering a life-long learning process for employees. Ware (2014) argues that career development is the solution to employee retention because Generation Y employees do not need to be highly dissatisfied with their current job to make a change.

Kong et al., (2015) in a study of career expectations and job satisfaction of Generation Y employees in the hospitality service industry, the results showed that when managers support employees career development it increases commitment and employee retention. This sense of a shared goal and collaborative style of leadership creates trust and loyalty with employees. They seek meaningful and challenging work that is future goal orientated.
Kosteas (2011) highlights that promotions are often linked to substantial wage increases which can be linked to retention. “When employees are exposed to new roles and opportunities to expand their skillset, they begin to enjoy their work and start finding their work meaningful” (Batra, 2017, p. 2). However, promotions are only effective if employees place value on the promotion itself. Another challenge with internal promotions is the impact it has on employees who are unsuccessful in winning a promotion and that unless they believe they are in with a chance the next time round, their work effort may decrease. Kosteas (2011) argues that promotions have a diminishing impact on job satisfaction as they are temporary. Fox (2014) expands on this point and suggests a concept of re-recruiting to motivate and re-engage employees as top talent can become bored.

Contrary to Kostes argument, Hellawell (2012) suggests that career prospects are important motivations for graduates and that management should create these opportunities to retain strong performers. As noted earlier, Generation Y employees are ambitious and they will leave an organisation despite high levels of engagement for career advancement. Therefore, it is argued that organisations should offer career advancement and defined career paths for employees to motivate and retain top talent.

2.8.4 Compensation, Reward and Recognition

According to Clarks in Kosteas (2011), job security and job pay are the more important factors contributing to job satisfaction and “determining future quits” (p. 177). When discussing reward and recognition, it is important to separate the two elements and understand the difference between reward and recognition (Morgan, 2008) Vartinen in Rose (2014) classifies rewards into three components; financial, material and psychological, which are noted below. Rewards carry strong messages and signify what a
company stands for. Rewards should then have a point of difference from one organisation to the next. Whereas recognition is about “noticing and articulating value”, the same recognition initiatives could be applied throughout any organisation (Morgan, 2008, p. 121).

Financial Reward
Jacobs (2007) discusses compensation and benefits, arguing that organisations should offer better packages with extensive benefits that go beyond salary and that are in line with, or better than the market. It is important that organisations consult with employees to ensure that the benefits that are offered are valued by employees. It was noted earlier that compensation and benefits impacted on employee’s decision to resign from their organisation. Therefore, even though benefits may be valued, it is important to determine whether they have an impact on an employee’s loyalty to stay with a company.

Basic Pay
Greatwood (2015) states that employees are less likely to be motivated by financial compensation and more likely to appreciate job careers and factors that impact on their engagement satisfaction levels. According to Sylvester (2015), pay alone is less important to Generation Y employees, therefore organisations need to provide extras with smaller more frequent rewards than an annual recognition incentive.

Incentive Compensation
Effective incentive plans can assist in better joint decision making in a company and through reward, it can encourage talented employees to stay in the organisation (Sigler, 1999). According to DeHoratius and Raman’s (2007) study on 13 electronic stores, the
performance of the individual stores was impacted depending on how compensation incentives were designed (p. 530). As store managers have multiple responsibilities, it’s important to set appropriate weights on different performance measures when designing incentives (DeHoratius & Raman, 2007). However, once the appropriate criteria are set, incentive compensation motivates the interests of employees and its owners (Sigler, 1999). In Lourenco’s (2016) research of a U.S retail services company, it found that monetary incentives and recognition have a positive impact on performance but equally the same performance was achieved when feedback in isolation was provided (p. 292). So, which is more powerful, is it monetary rewards or recognition?

An effective incentive compensation scheme should identify objectively who are the top performers and who are non-productive employees. As highlighted above, the weighting criteria is fundamental to the success because the impact of a poorly executed incentive scheme could lead to both top and non-performers receiving the same compensation and package (Sigler, 1999).

**Non-Financial Rewards**

As referenced by Vartiaien in Rose (2014), non-financial rewards consist of rewards that have a direct cost to the organisation but cannot be exchanged for their monetary value (p. 6). This consists of training opportunities, working environments, career progression opportunities. These rewards are discussed throughout the literature review and acknowledges that employees value these material rewards as part of their package expectations.
Recognition

Rose (2014) defines recognition as “a process of acknowledging or giving special attention to a high level of accomplishment or performance” (p. 183). Recognition can be financial or non-financial. The fundamental purpose is to recognise someone when they have gone beyond what is expected of them. Scarborough (2009) recommends that recognition should be done on the spot or in a timely manner to motivate employees.

Some organisations have recognition schemes with incentives attached. This can range from golf or spa treatments to “brag boxes”, an idea which was implemented in Umpqua allowing co-workers to recognise their teammates (Scarborough, 2009, p. 26). Scarborough (2009) highlights the importance of recognising various types of success. In retail this could range from customer compliments, a large sale, or an individual’s promotion. Regardless of the value, recognition motivates employees and makes people feel valued.

Total reward

Total rewards consist of financial and non-financial variables (Armstrong, 2017). It also consists of the benefits available to employees along with the recognition schemes. Benefits are provided in addition to pay and are an important part of the total rewards package (Armstrong, 2017). Not limited to, but some of these rewards consist of annual leave enhancements, company cars, medical insurance, pension, flexible working hours, training opportunities, mentoring, available technology and other benefits. Armstrong (2017) describes the “flexible benefit scheme” as one which offers employees a choice of benefits they can avail of (p. 427). Irrespective of the cost of these total reward packages, it has been noted previously that retaining top talent costs less than replacing them. Therefore, organisations should consider attractive packages that are valued. “The goal is
to maintain mutual respect between you and your top performers” (Porter, 2011, p. 60). HR need to be proactive and creative with packages to maintain competitive advantage and “motivate by goals but pay for performance” (Batra, 2017, p. 2).

2.9 Conclusion

It was acknowledged within this literature review that high performers improve business performance. Therefore, the demand to recruit and retain talented employees has become a topic of concern for senior management. Specifically, within the retail industry where employees interface directly with consumers, their job satisfaction levels are vital to the performance of the store.

The aim of this literature review was to understand what motivates Generation Y retail managers to determine how best to retain this top talent. As there are contrasting motivational theories and arguments debating why individuals leave an organisation, the researcher will conduct primary research on the work motivations for Generation Y employees in an Irish context.
Chapter 3. Research Methodology

Saunders (2009) differentiates between the term “methodology” which refers to the theory applied to how research should be undertaken, whereas “methods” refers to the techniques applied (p. 3). This chapter will explore research methodologies to determine the most appropriate research method adopted for this study.

3.1 Research Aims and Objectives

The overall aim of this research is to identify what are the key enablers to retain top talented retail managers. From researching the literature on this topic, there are contrasting arguments as to the motivations that cause employees to leave an organisation. Furthermore, research argues that the work attitudes of employees is influenced by their age, which in this study refers to the characteristics of Generation Y employees. Due to the contrasting arguments on the reasons why people leave an organisation, this study will aim to test these arguments in an Irish retail context.

3.1.1 Objective 1

The literature review described work expectations and motivations for Generation Y employees outlining how they were different from previous generations. Aruna & Anitha (2015) amongst other authors argue that this generation hold career advancement and the working environment as the most important motivational factors to remain in an organisation.

The research question of interest here is the following:
Are the work expectations referenced for Generation Y employees in the literature applicable to retail management in Ireland?

3.1.2 Objective 2
According to Morgan, “the number one reason that employees choose to leave a company is that their managers fail to lead” (Morgan, 2008, p. 120).

The research question of interest here is the following:

Is management's failure to lead the main contributing reason that influences employees’ intention to resign from a Company?

3.1.3 Objective 3
Upon reviewing literature in this field, the study conducted by Teck-Hong & Waheed (2011) is a very comparable piece of research to the topic of this report. This research applied Herzberg’s motivational theory in the retail industry in Malaysia. The researcher aims to test whether the work motivations identified in the study in Malaysia is applicable in an Irish context.

Based on the above study, the research question for this report is the following:

Is the working environment and compensation the most significant motivational factors for retail management?

3.2 Research Philosophy
Research philosophy “relates to the development of knowledge and the nature of that knowledge” (Saunders, Lewis & Thornhill, 2009, p. 107). According to Thomas (2004),
philosophy is concerned with basic questions about knowledge, reality and existence. In order to ascertain which research method is best to deploy, the researcher plans to follow Saunders, Lewis & Thornhill’s ‘Onion’ research process which outlines the philosophies and approaches available (2016:124). Quinlan (2011), lists eleven different philosophical frameworks, five of these are referenced by Saunders, Lewis and Thornhill (2016) which will be outlined in this chapter. However, prior to exploring each of these philosophies it is important to understand the first stage of the ‘onion’ research phase, the three different research assumptions of ontology, epistemology and axiology. Saunders et al, (2016) outlines these terms:

- **Ontology** - “refers to assumptions about the nature of reality” (Saunders et al., 2016, p. 127).
- **Epistemology** – “concerns assumptions about knowledge”, that is valued, legitimate and validity of new knowledge generated (Saunders et al., 2016, p. 127).
- **Axiology** – “refers to the role of values and ethics” of both the researcher and the participants during the research process (Saunders et al., p. 128).

The above views support the researcher to determine which of the research philosophies outlined below is the most appropriate in determining what are the key enablers to retain top talented retail managers.

### 3.2.1 Positivism

Positivism research is conducted in an objective and somewhat “singular” manner (Quinlan, 2011, p. 99). Saunders et al. (2016) describes the researcher as neutral and detached from the study. Due to the objective approach of the researcher, a structured methodology approach would be applied which lends itself towards a more quantitative approach.
3.2.2 Critical Realism

The focus on reality is the core principle of a critical realist. Critical realism refers to external and independent experiences. Saunders et al. (2016) categorises these experiences into two steps, the first refers to events experienced and the second refers to the mental processing post the event (p. 139). As a critical realist, the researcher aims to gather information beyond the facts, rather than gain an in-depth understanding of the research topic and a variety of methods may be applied to pursue a qualitative research approach.

3.2.3 Interpretivism

Interpretivists focus on human behaviour. The purpose of their study is to create new understandings in a social context (Saunders et al., 2016). As individuals have different cultural backgrounds, genders and personalities, research conducted is complex.

3.2.4 Postmodernism

“Post-modernists emphasise the role of language and of power relations, seeking to question accepted ways of thinking” (Saunders et al, 2016, p. 141). Fischer (2014) explains that postmodernism is strongly tied to cultural theory. It explores “how society has viewed stereotypes throughout history and how the cultures of our work are intermingling in a globalized society to become hybrids of each other” (Fischer, R.K., 2014, p. 29). As a researcher, in-depth qualitative research would be applied to challenge theories and concepts in an attempt to identify what realities have been excluded (Saunders et al, 2016, p. 144).
3.2.5 Pragmatism

Pragmatism “strives to reconcile both objectivism and subjectivism, facts and values, accurate and rigorous knowledge and different contextualised experiences (Saunders et al 2016, p. 143). It considers theories, concepts and research findings. Research is usually based on a problem and different objective and subjective approaches may be applied to produce credible, well rounded and relevant research results. Qualitative and quantitative methods may be applied to achieve this research objective.

Although some of these research philosophies may differ significantly, there are some overlapping concepts which require further exploration on research approaches to determine the most suitable method that this study should apply.

3.3 Research Approach

To design the most applicable research method, it is important to understand the different research approaches:

- Deductive which Ormeorod (2010) describes as a scientific process to testing a theory or a hypothesis.
- Inductive by contrast refers to collecting information and data to form a theory (Saunders et al 2009)
- Abductive is described by Saunders et al (2016) as a process of collecting data to explore a phenomenon which generates a new or modifies a theory based on the themes identified.
3.4 Research Design

The purpose of this study is to determine what are the key enablers to retain Generation Y retail management. However, to build this theory there are three research questions that require testing. Consequently, a combined approach will be adopted. Firstly, a deductive theory testing approach will be applied to formulate an overall theory which will identify the retention enablers.

In light of the three research questions requiring a deductive approach, a quantitative research strategy is deemed most appropriate. The researcher adopted a survey strategy framework as it is objective in its approach; it covers a large population size, data is transparent and allows the researcher to cover a variety of variables to address the research questions.

3.5 Questionnaire Survey

A survey strategy involves collecting data in either of the following methods; questionnaires, interviews or observation. Surveys aim to ‘describe the characteristics of the population or they may test explanatory theories’ (Thomas, 2004, p. 21). The advantage of conducting questionnaires is feasibility to cover a variety of topics listed in the literature review to a large audience. Saunders et al, (2016) highlight the importance of selecting the right method to represent the target population. The sample population in this research report is 113 individuals.

As the research aims to understand what motivates employees, an employee survey will form a deductive approach, gathering collective views and opinions. Unlike other strategies, for example, ethnography, which focuses on researching a small number of
people conducted over an extended period, time does not permit the researcher to apply this approach. Questionnaires although timely in drafting and pilot tests, they may be conducted in a relatively short period of time.

According to Saunders et al (2007), questionnaires can be used for descriptive or explanatory research. “The design of a questionnaire differs according to how it is administered and, in particular, the amount of contact you have with the respondents” (Saunders et al, 2007, p. 356).

Self- administered questionnaires are usually completed by the respondents. These may be administered through the following (Saunders et al., 2007):

- Electronically using the internet or intranet
- Posted to respondents who return them by post after completion
- Delivered by hand

Interviewer-administered questionnaires are recorded by the interviewer on the basis of each respondent’s answers. These may be administered through the following:

- Telephone questionnaires
- Structured interviews

Other factors which may influence the design of a questionnaire include the following (Saunders et al, 2007):

- Characteristics of respondents
- Size of sample, considering likely response rate
- Importance of respondent’s answers not being contaminated or distorted
- Types of questions needed for data
Considering the above factors, the researcher edited a self-administered questionnaire based on Teck-Hong & Waheed’s existing validated survey. This survey applied Herzberg’s motivational theory to Generation Y employees in the Malaysian retail sector. The researcher’s aim is to explore whether the results are applicable in an Irish context. The survey therefore comprised of a combination of open, multiple choice and ranked questions which responded to a number of statements. The 31 ranked questions were based on Teck-Hong & Waheed’s questions which included statements and participants were asked to choose accordingly. An example is below:

- I enjoy my job

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**Strongly Disagree** | **Strongly Agree**

The above responses were analysed as on the online platform [www.typeform.com](http://www.typeform.com) providing a % breakdown on how many participants answered each rating per question. The online tool also provided an average result per research question. A copy of the questionnaire is in appendix 1.

The following chart illustrates the number of questions relating to the various components:
Ranked questions provide consistency in questions asked and it enables statistical quantitative analysis of the data. The respondents had the opportunity to contribute additional comments which furnishes an element of qualitative analysis as it provides some context to the answers given.

The survey was issued electronically which reduced the time required to send and collect hard copy questionnaires. The researcher considered the characteristics of the respondents and applied a conversational tone of communication to encourage honest and open feedback. The style of communication also sought to influence a high response rate stressing to the respondents that the questionnaire was anonymous and purely for college purposes. Saunders et al, (2016) discuss the importance of a high response rate to represent the sample size and indicate that over 80% is considered a complete response rate. Higher response rates are often linked to face to face interviews rather than web based surveys.
However, web based surveys arguably afford the respondent to be more honest in their answers than face to face interviews.

3.6 Ethical Considerations

Anderson refers to research ethics as “adherence to a code of behaviour in relation to the rights of those who become the subject of your work or are affected by it” (2009, p. 72). The researcher was granted permission from the organisation, Life Style Sports, to conduct a research report which involved a confidential survey.

Saunders et al., (2016) recognises the importance of maintaining confidentiality and anonymity. It was imperative that the next phase of designing an objective and fair questionnaire involved integrity. As the researcher based the survey questions on a current model, this allowed for consistency in the questions asked and objectivity towards the style of questions.

The researcher issued the online survey by email to the research population and outlined in the covering email the purpose of the study and asked the respondents not to include any personal information to ensure their anonymity was protected, appendix 2. Issuing an online questionnaire affords the recipient the opportunity to participate or decline.

Anderson (2009) discusses the importance of ethical responsibilities when collecting data which should be conducted in an objective and accurate way. The use of an online survey enables the researcher to analyse the data in an objective manner as the results are stored in an online database and not sent directly to the researcher.
3.7 Research Participants

This study focusses on retail management in Life Style Sports. To validate the research questions, the survey was submitted to all members of management across 53 separate stores, which consists of the 113 individuals. Of the sample size 75% were female and 25% were male. Each member of management works full-time in a store nationwide. There are three different management levels within the sample population.

3.8 Pilot Testing

To validate the survey, the Researcher emailed the pilot survey link to three members of the Human Resources team. Participants were asked to provide feedback regarding the clarity of the questions, how long it took to complete, relevancy of questions and if they had any other feedback.

The following feedback was received:

- Survey flowed logically
- It took between 6 to 7 minutes to complete
- A number of questions were unclear requiring greater clarity
- Some spelling mistakes were identified

Based on feedback received from the participants, questions were removed to avoid duplication and rephrased to ensure that the questions were understood from an Irish context. Upon receipt of this feedback a final version of the survey was created, appendix 1. The survey along with an individual email was issued to all members of management.
3.9 Data Collection & Analysis

A self-administered questionnaire was designed that asked 38 questions. As the literature review highlighted that Generation Y employees are digitally focused, the survey was created on an online platform www.typeform.com and the link was emailed individually to each participant. The online survey has the functionality to be completed on a computer or handheld device.

The online survey platform contains the functionality to view each completed survey individually or to generate an overall report with percentage metrics against each research question. The survey results were also transferred into an excel document which enabled the researcher to analyse the responses in greater detail. In excel the researcher applied formulas to calculate average response rates for each response and for sub groups to compare results. Sorting the data in excel allows for comparative analysis between sub groups and the overall population.

3.10 Limitations

There are limitations within each research method chosen. As the aim of the researcher is to form a theory on the retention enablers for retail management, gathering information from this total population is important. Therefore, a survey questionnaire was chosen. However, the biggest limitation with a survey questionnaire is that questions can be misinterpreted by the respondent (Saunders et al, 2016). Unlike face to face interviews, there is a limit to the number of questions asked, and the researcher is unable to observe subjective feedback such as participants body language or tone of voice. They also do not afford the researcher the ability to ask further questions to gain in-depth understanding of
the topic. Due to the anonymity of a survey, the researcher is unable to follow up with participants at the analysis stage.

3.11 Strengths
The strength to conducting a questionnaire survey is that is allows the Researcher to gain insights from a large population size spread across separate locations within Ireland and Northern Ireland. Given the anonymity of an online survey, participants should be more open and honest in their feedback (Saunders et al, 2016, p. 182). Lastly, the key strength of this survey approach is that a range of topics can be explored as the survey is not time consuming to complete.

3.12 Response Rate
The researcher emailed 113 members of management with the survey link and 90 questionnaires were completed. This is a hugely impressive 80% response rate. As Saunders et al (2016) noted earlier, over 80% is considered a complete response, therefore the data collected is a reflective sample size to represent the research population.

Upon reviewing the response rates, 98% of the surveys were completed on a smartphone and 2% were completed on a tablet device. Interesting to note that the surveys were not completed on a PC or laptop device.
Chapter 4. Research Findings

The overall aim of this research is to identify what are the key enablers to retain top talented retail managers. The researcher identified three research objectives which aims to explore the work motivations of Generation Y employees. The research gathered and analysed under each of the objectives will assist the researcher to form a view as to what are the key initiatives to retain top talented Generation Y Irish retail managers.

4.1 Overview of Respondents

The survey was issued to 113 members of management. Of the 80% response rate, 63 (70%) of the respondents were female and 27 (30%) were male.

Prior to analysing data under each of the research questions, the following charts provide insights into the respondent profiles.
The average length of service was 4.67 years. The length of service increases given the seniority of the management level.

The majority of the respondents were female (70%).

The majority of the participants attended third level education.
The following section analyses the data gathered from the survey.

4.2.1 Objective 1

The first research objective aims to determine whether work expectations referenced for Generation Y employees are applicable to retail management in Ireland?

Generation Y employees are described as ambitious individuals and highly educated. The research reported that 67% of respondents have a third level qualification which supports this point regarding education.

4.2.1.1 Career Advancement

Work Motivations
The researcher asked respondents what overall factor motivates them. Respondents had the option to choose one of the following answers which were based on the key themes within the literature review:

1. Career growth
2. Relationship with my manager
3. Compensation
4. Working environment
5. Training and development

The above chart illustrates that career growth was the most significant factor to motivate the respondents. This represented over half the population at 54%. The second factor was the working environment at 26%. These combined results represent 80% of the research
population. Training and development was reported to motivate 10% of the population. Arguably training and development has a direct link in developing employee’s careers. Therefore 64% of respondents are primarily focused on career advancement, whereas factors that were unrelated to career advancement were significantly low. Compensation only motivated 6% and employees relationships with their manager was the least significant factor which only motivated 4% of employees.

When reviewing educational qualifications within the respondents who reported career development as their key motivation, there was little variance compared to the remaining population. Of the respondents who primarily value career development, 34% have a third level qualification compared to 32% of the remaining respondents.

Upon reviewing other factors of this group of respondents who value career development, there was an insignificant variance in their length of service. They had an average of 4.4 years’ service compared to 4.9 years’ service within the remaining respondents.

Lastly, respondents’ level of management was analysed to determine whether career development was important to employees who were at the start of their management career. The results show that over half, 61% of respondents who are at a Team Manager level which is the first level of management, value career development as the key motivator. As management become more senior, the variance gap shortens, with 55% of Deputy Managers and 49% of Store Managers valuing career development as their key motivation.
As career development has been noted as the most important factor to motivate the respondents, it is important to understand how respondents rate the company in affording access to promotional opportunities.

**Adequate Promotional Opportunities**

![Bar graph showing responses to promotional opportunities](image)

Overall, respondents believe that the company offers adequate promotional opportunities, with 69% either agreeing or strongly agreeing. Exactly half of the respondents who either disagreed or strongly disagreed represent Store Managers which is the highest level of management in stores.

**Intention to progress internally**

Respondents were asked whether they plan to look internally for their next position. Participants who agreed or strongly agreed amounted to 76% of the population, there was 18% of those voted neither and 6% either disagreed or strongly disagreed. Of the participants who stated that they valued career development as the highest work motivation, they reported a slightly higher
response when asked if they planned on looking internally for their next position. They reported an average result of 4.3 compared to 4.1.

**Training and Development Opportunities**

The survey researched whether the respondents believed that the Company offered adequate training and development opportunities to improve their experience, skills and performance.

This question yielded the highest positive result from the survey with 91% of respondents agreeing or strongly agreeing that training supports are provided by the Company to support their career development. In addition to the structured training opportunities that exist, respondents were asked whether their job allows them to learn new skills for career advancement. 81% of participants agreed or strongly agreed, 16% commented neither and only 3% disagreed.
4.2.1.2 Working Environment

The working environment is the second highest factor motivating 26% of participants. The literature review discussed the working environment which consists of three components, the physical, procedural and social aspects of work. The survey asked questions that referred to each of these components.

Physical Environment

The survey question most relevant to the physical working environment refers to the working conditions. The majority of participants 73%, are proud to work for the Company due to the pleasant working conditions.

Respondents were also asked if they felt safe at work and 89% either agreed or strongly agreed, 7% chose neither and only 4% either disagreed or strongly disagreed.
Procedural Environment

One of the lowest ranked responses within the survey relates to work life balance. Of the participants, 32% agree that they can satisfy both their work and personal life whereas 22% either disagree or strongly disagree.

The participants that have rated the working environment as their most motivating factor only rated the question relating to work life balance at 3.1. Whereas those that rated other factors as more motivational rated this question as 3.6 which is a significant variance by comparison to other research questions.
Social Environment

The social environment refers to the culture within an organisation. The survey asked questions regarding team and managements influence on participants’ enjoyment levels at work.

When asked whether team mates are helpful and friendly the response was one of the highest with participants reporting 88% in agreement or strongly in agreement. Only 12% of participants responded neither with 0% either disagreeing or strongly disagreeing. When participants are then asked whether team mates are important and influence their enjoyment levels at work, the response was even higher with 90% either agreeing or strongly agreeing, 10% neither passed a strong opinion and 0% neither disagreed or strongly disagreed.

My team mates are important and influence my enjoyment levels at work

The last question that directly refers to the social environment queries how happy participants are with the way their team and managers treat them. 42% strongly agreed and 37% agreed that
they are happy with the way their team mates and managers treat them, 14% opted for ‘neither’ and 7% disagreed.

The survey also gave respondents the opportunity to provide additional feedback. Upon reviewing these subjective comments from the respondents that value the working environment, the most motivational, 19 out of 23 respondents commented on how much they enjoy working with their team and the fun culture at work. From reviewing the survey results, the social aspects of the working environment are the most significant contributor to employees’ motivation at work.

Objective 1 Main Findings

It was found that career development is the most significant motivating factor. The majority of the respondents, 76% intend to look internally for their next career move and 91% believe the Company offers training supports to enable this career advancement. The majority, 67% of respondents hold a third level qualification.

While 73% of participants are proud to work for the Company due to pleasant working conditions, only 32% felt that they could satisfy their family and work life.

Participants were asked whether they believed if their job was secure, 78% either agreed or strongly agreed. 90% of participants responded that their team mates are important and influence their enjoyment at work.

4.3 Objective 2

According to Morgan, “the number one reason that employees choose to leave a company is that their managers fail to lead” (2008, p. 120). The role of the researcher is to determine whether managements failure to lead their team is the main contributing reason that
influences employees’ intention to resign. Therefore, the research question intends to identify the causes of job dissatisfaction which impact employees’ decisions to resign from an organisation.

Intention to work for the Company in 3 years

The first survey question to analyse refers to employees’ intentions on working for the Company within the next three years. The following results were found:

![Intend working for the Company within the next 3 years](chart)

It was found overall that 70% of respondents either agreed or strongly agreed on intending to work for the Company for the next three years. This is a very high response rate and worth understanding what influences this result by further analysing survey responses.

For this research question, the survey results were split into two groups, one group consisting of the 70% of respondents who intend on staying (group A.) and the second group consisting of the 8% (group B.) who by contrast intend on resigning. There were key
variances in the responses between these groups throughout the survey. The key variances are outlined below.

**Job Satisfaction**

It was found that when asked if respondents enjoyed their job, 88% either agreed or strongly agreed. This shows evidence that the majority of the workforce are highly engaged. The researcher analysed job satisfaction and enjoyment levels to understand if there were variances in the two groups. However, within participant group B., when asked whether they enjoyed their job, the average rating was 3.7, which was a -1.0 difference compared to group A. who reported a 4.7 response rate.

The survey results for each group were analysed further to understand what influences job enjoyment levels for group B. who represent those who intend on resigning. The following results had the highest variances between these groups:

**Internal Progression**

The most significant difference within the two groups of respondents refers to respondents’ intention to look internally for their next position. Group B averaged a 2.4 rating while group A. reported a 4.7 rating.

It is noted above that group B do not intend on looking internally for their next role and do not intend on working for the Company within the next 3 years. They also rate lower on job enjoyment levels. The role that management plays will be analysed to determine whether this is the cause for job dissatisfaction.
Appreciation

The second most significant variance refers to respondents feeling appreciated when they complete a task. Respondents who do not intend working with the Company (group B.) rated this statement as an average score of 2 points, therefore they disagreed with the comment. Whereas, group A. representing 70% of respondents rated this an average of 4.3, therefore they agreed that they felt appreciated.

Recognition

A further significant contrast between the two groups of respondents refers to receiving adequate recognition. Group B. responded with an average rating of 2.3, therefore they disagree that they receive adequate recognition. There was a 1.6 difference in the response ratings from group A. rated this as an average of 3.9.

Manager is Strong & Trustworthy

Participants were asked whether they viewed their managers as strong and trustworthy. The majority of the survey population either agreed or strongly agreed (80%). However, when the group is separated, group A. rate this response as 4.5 compared to 3.6 with group B.

Empowerment

The last significant contrast between these two groups refers to participants being asked whether they feel empowered to do their job. Again, a similar pattern emerged. Group A. responded positively with an average of 4.6 compared to group B. who responded with 3.6.
Relationship with Manager

The survey asked whether participants were satisfied at work because of the relationship with their manager. This question generated a variance, however not to the same extent as the above results. Group A. ranked this as 4.3 compared to 4.0 with group B.

Job dissatisfaction

As the above analysis refers to the relationship between participants and their manager, the researcher identified further significant variances to gain a more in dept. understanding.

Participants were asked to rate the following statements:

➢ *I would choose career advancement rather than monetary incentives*
  
  o There was a 1.6 difference, with group B. averaging this as 2.4 compared to 4.  
    For group A.

➢ *I am encouraged to work harder because of my salary*
  
  o Group B. averaged at 2.0 compared to 3.7 with group A.

Objective 2 Main Findings

There was a very strong response rate to participants’ intentions on working for the Company for the next three years. However, of those who disagreed, they had lower levels of job satisfaction and did not intend on looking internally for their next role. It was also found that those who do not intend to remain in the Company reported lower levels of feelings of appreciation and recognition. They did not deem their management as strong and trustworthy compared to those who intend to continue to work in the Company.
4.4 Objective 3

Upon reviewing literature in this field, the study conducted by Teck-Hong & Waheed (2011) is a very comparable piece of research to the topic of this report. This research applied Herzberg’s motivational theory in the retail industry in Malaysia. The researcher aims to test whether the work motivations, working environment and compensation identified in the study in Malaysia is applicable in an Irish context.

Is working environment and compensation the most significant motivational factors for retail management?

The working environment was discussed in the research objective above, (question number 1) and it was identified that this factor was the second highest ranked enabler to motivate the respondents. Compensation was ranked as the second lowest factor to motivate participants with only 6% reporting it as their main motivator. However, participants were asked throughout the survey to provide responses to a range of questions relating to compensation which fall under the headings of procedural working environment and compensation.

**Procedural Working Environment**

The respondents were asked whether they believed that their salaries were fair. This was the lowest ranked response within the survey, averaging at 3.09. The below chart illustrates the breakdown per each rating.
While the highest response at 32% agreed that their salaries were fair, 29% of participants either disagreed or strongly disagreed which contrasts to the pattern of previous results reported. Further analysis was carried out with the 12% of participants who strongly disagreed that their salaries were fair. These participants’ responses to each of the survey questions were compared with the average responses collected from the remaining participants and the following results reported the highest variance in their answers:

- **I am encouraged to work harder because of my salary**
  - Those that strongly disagreed that their salary was fair reported an average score of 1.4 compared to the remaining average response of 3.5, a variance of 2.1.

- **I can satisfy both my work and personal life**
  - While this was a relatively low average response rate from the overall results at 3.7, those that disagreed that their salary was fair responded with the remaining average result of 1.9 for this question, a variance of 1.8.
➢ **There are adequate promotional opportunities in the Company**

  - This question averaged with a positive result of 4.2. However, participants who strongly disagreed that their salary was fair responded with 2.5, a 1.7 variance.

There were different levels of management within the group of participants who strongly believed that their salaries were unfair. This consisted of 55% Store Managers, 27% Team Managers and 18% Deputy Managers. Within this group, there was also a variety of responses regarding their work motivations; 36% reported that career development motivates them and another 36% reported that the working environment motivates them.

**Compensation**

As noted above, only 6% of participants reported that compensation motivated them ahead of the other four variables. When asked if they were motivated to work hard for money, they responded with an average result of 4.6 compared to the remaining participants who reported an average of 4.1. However, the most significant variance between this group and the remaining participants refers to choosing career advancement over money. Those motivated by compensation reported an average result of 2.6, compared to the remaining participants who reported an average of 3.8, a 1.15 variance. The group consists of 40% Store Managers, 40% Team Managers and 20% Deputy Managers.
Career Advancement over Monetary Incentives

Participants were asked whether they would choose career advancements rather than monetary incentives.

The above chart illustrates that over half of the participants, 57% either strongly agrees or agrees that they would choose career advancement over monetary incentives. Of these participants, 43% are Store Managers, 33% are Team Managers and 24% are Deputy Managers. Despite Store Managers being the highest level of management in store, they represent 59% of the total number respondents.

Objective 3 Main Findings

It was noted earlier that the working environment was the second highest factor to motivate participants at work. Upon further analysis, the respondents valued the social environment
above that of the procedural and physical factors. However, participants reported low levels of satisfaction with their work life balance.

Although compensation only motivated 6% of the participants, a significant proportion of the population, 29%, felt that their salary wasn’t fair. However, over half of the participants reported that despite feedback regarding their salary not being fair, 57% would choose career advancement over monetary incentives.
Chapter 5. Discussion

This chapter will discuss the research findings and the literature reviewed in order to identify key emerging trends. As the research questionnaire was based on Herzberg’s Motivation and Hygiene theory, this will form part of the discussion to determine whether this theory is supported for Generation Y employees in an Irish retail context.

5.1 Job Satisfaction

Career advancement motivates and creates job satisfaction

“Motivation has been defined as the individual’s internal process that stimulates, guides and maintains the conduct of the individual in order to meet their needs and help them attain some specific objectives” (Islam & Ali, 2013, p. 2). According to Herzberg, job satisfaction is a result of these internal feelings.

The research findings reported that 76% of respondents feel satisfied that their job gives them a sense of achievement and 88% of respondents enjoy their job. As Kong, Wang & Fu, (2015) noted that job satisfaction was a result of an employees’ general attitude towards work, these results are high and therefore demonstrate high levels of job satisfaction. It was found that 54% of respondents were motivated by career advancement which is the strongest variable noted in the survey to create these levels of job satisfaction. This supports Herzberg’s theory that career advancement is an internal motivator. It also supports Aruna & Anitha’s theory that career advancement is the most significant motivating factor for Generation Y employees.
5.2 Working Environment

The social working environment motivates Generation Y employees.

Aydogmus (2016) stated in the literature review that the working environment is the key factor to satisfying employees. From the survey results this theory is supported with 26% satisfaction which was the second highest response from the participants agreeing that the working environment motivated them. As the working environment consists of the physical, procedural and social aspects, the research questionnaire covered these three variables.

Kilber et al., (2024) discussed Generation Y employees wanting to enjoy being at work and that a fun environment is expected. The survey supported this point of view with 90% of respondents confirming that their team mates are important and influence their enjoyment levels at work. While Herzberg classifies employees’ relationship with peers as a hygiene factor, the research does not support this theory. In fact, when employees were welcomed to provide any additional feedback, 19 out of 23 respondents stated that they enjoyed working for the Company due to the culture and team mates that they work with. Therefore, a fun social environment and culture within a workplace is an expectation for Generation Y employees and as Solnet states (2012), it influences their attitudes and behaviour towards their jobs which determines their level of job satisfaction.

5.3 Work Life Balance retains Generation Y employees

Deery and Jago (2015) discussed the importance of work life balance and that it could be deemed as a push factor within the retail sector. As Aydogmus (2016) noted earlier, Generation Y employees expect employers to provide flexible working hours that facilitate
work life balance as this generation values their time with their families and friends over work.

The survey supports this argument as 22% of participants confirmed that they are unable to satisfy both their personal and family life. This was the second lowest ranking score reported. Herzberg classifies the working conditions and personal life as hygiene factors and this survey supports this theory. Therefore, as stated earlier by Islam and Ali, work life balance doesn’t create the levels of motivation. However, the absence of work life balance can cause job dissatisfaction.

5.4 Management motivate yet influence job dissatisfaction

The role of management was defined in the literature review which essentially involves the process of making sure things happen. The difference between management and leadership was discussed and the literature argued that Generation Y employees prefer to be managed through a more collaborative style of leadership. Hellawell (2012), amongst other authors, explained that a strong leader provides feedback, recognises and acknowledges individuals, and is committed to the development employees.

Respondents’ relationship with their manager only motivated 4% of the population. Therefore, it was not a motivator. However, the survey asked respondents a number of questions which referred to how they were managed. The group of respondents who do not intend on being with the Company in the next 3 years and who don’t enjoy their job, reported significant levels of dissatisfaction when compared with the remaining participants who enjoy their role and intend on staying. These areas of dissatisfaction referred to not feeling appreciated and not receiving recognition. They also didn’t view
their manager as strong and trustworthy. The last significant variance relates to their intention to look internally for their next role despite respondents being satisfied with adequate promotional opportunities available in the Company. Although 91% of participants were satisfied with the training and development opportunities the Company offers, it is clear that there is an absence of career development and advancement plans for those respondents who are not satisfied.

These responsibilities of recognition and feedback are deemed as motivators in Herzberg’s theory. However, supervision is a hygiene factor. The research findings confirm that respondents who intend to resign are due to factors within their managers control. Therefore, the findings support the literature that management who champion talent as Ellehuus’s (2012) study showed, have a higher chance of retaining employees. The findings support Herzberg’s theory that supervision can cause dissatisfaction. However, the absence of recognition and appreciation has caused dissatisfaction for the respondents and influenced their intention to resign. Therefore, the results do support Herzberg’s theory that recognition and achievement is a motivator.

5.5 Career advancement is more valuable than compensation

In the study referenced by Deloitte, compensation was found to be the number one motivator to influence employees remaining in an organisation. However, the same study found that compensation was the third consideration for people to leave.

The literature noted that compensation and benefits does motivate individuals’ decision to leave. However, Greatwood (2010) stated that it wasn’t the financial compensation but more benefits such as job careers. Rsoe (2014) noted the importance of recognition which
was discussed earlier and that this can be financial or non-financial. This was included in a total rewards package which Armstrong (2017) noted should include training to develop opportunities.

According to Teck-Hong & Waheed, salary is important to salespeople. Their study in the Malaysian retail sector found that there was a relationship with money and job satisfaction. Salespeople placed more importance on hygiene factors. However, in the survey conducted, only 6% of respondents were motivated by compensation. This supports Herzberg’s motivational theory and the study conducted by Deloitte. While 29% of participants felt that their salary was unfair, 57% stated that they would choose career advancement over monetary incentives. Therefore, there is not the same link with money and job satisfaction as referenced in Teck-Hong & Waheed’s study in the retail industry in Malaysia.
Chapter 6. Conclusion

The aim of this study was to explore the reasons why people leave organisations aiming to identify key factors that motivate and retain talented managers. Upon a review of the current literature, there was a gap relating to retaining Generation Y retail management in an Irish Context. The literature review identified three main research objectives that were explored using a questionnaire survey.

Generation Y Work Expectations

It can be concluded that Generation Y retail managers have a different set of work expectations than previous generations. They expect their managers to be behave as leaders and adopt collaborative styles of working. They are motivated by recognition, appreciation and feedback. The main findings from the data gathered supports the argument that the most significant factor why employees resign is due to their managers failing to lead.

This generation also expect employers to provide initiatives to create work life balance. Personal time is valued and employers should consider how this is provided so that the Company is an employer brand of choice within a competitive employment market. Providing work life balance initiatives will influence retention of current retail managers.

Motivation

Generation Y employees are ambitious and highly educated. Career advancement is the most significant factor to motivate retail managers. This places the importance of organisations to offer career development plans, internal promotional opportunities and an investment in learning and development initiatives. When organisations offer these
initiates, it shows managers that the Company values them and is focussed on retention by investing in their career.

The social environment at work is also a motivator for Generation Y retail managers. The social culture and working relationships influences job satisfaction levels. This generation expect to have fun at work. The literature review noted that high employee morale in the retail sector influences positive behaviours and strong sales performance. Upon reviewing the data gathered, relationships with team mates strongly influenced job enjoyment levels and retention indicators.

Retention Enablers

The overall purpose of this study was to determine the key enablers in retaining top talented retail management. It is noted the importance of having highly skilled and emotionally intelligent leaders. These leaders should have the ability to clearly define career advancement opportunities which will influence levels of job satisfaction and employee retention. The absence of strong leaders will contribute to employee turnover. These findings are supportive of the literature review studied.

The second factor to retain top talented retail managers is the working environment. This includes having a fun and social culture along with work life balance practices.

The overall findings of this study while they support some of the literature reviewed, it provides an Irish perspective on retaining top talented Generation Y retail management.
Chapter 7. Reference List


Rogoswski, T. (2017). ‘5 keys to better retention’. Accounting today. 31 (1)


8.1 Appendix 1: Questionnaire Survey

Hi there!

Thanks for taking the time to complete this survey which forms part of a research project for my Masters in HR.

This survey is specifically a college research assignment and is not a Life Style Sports survey. Therefore your participation is completely anonymous so please do not provide your name.

The survey will take a couple of minutes to complete and will ask a number of questions to try understand what motivates people in work.

Thanks again!

start
press ENTER

Q1. I am
Q2. I finished my education after
Q3. I have worked for the Brand since
Q4. My Management title is
Q5. I am proud to work in this Brand because is recognises my achievement
Q6. I feel satisfied with my job because if gives me a feeling of accomplishment
Q7. I feel I have contributed towards my company in a positive manner
Q8. I would choose career advancement rather than monetary incentives
Q9. My job allows me to learn new skills for career advancement
Q10. My work is exciting and I have a lot of variety in tasks that I do
Q11. I am empowered to do my job
Q12. My job is challenging and exciting
Q13. I feel appreciated when I achieve or complete a task
Q14. My manager always thanks me for a job well done
Q15. I receive adequate recognition for doing my job well
Q16. I am proud to work in my Company because I feel I have grown as a person
Q17. My job allows me to grow and develop as a person
Q18. The Company supports my career development through offering training and development opportunities to improve my experience, skills and performance
Q19. I plan on looking internally for my next position
Q20. There are adequate promotional opportunities in the Company
Q21. I plan on working for the Company for the next 3 years
Q22. My team mates are helpful and friendly
Q23. My team mates are important and influence my enjoyment levels in work
Q24. I believe my job is secure
Q25. I feel safe working in my workplace
Q26. I feel my performance has improved because of the support from my manager
Q27. I feel satisfied at work because of my relationship with my manager
Q28. My managers are strong leaders and trustworthy
Q29. I am encouraged to work harder because of my salary
Q30. I believe my salary is fair
Q31. I am proud to work for the Company because of the pleasant working conditions
Q32. I can satisfy both my work and personal life
Q33. I am happy with the way my team and managers treat me
Q34. I am motivated to work hard for money
Q35. I enjoy my job
Q36. Overall what motivates me is
Q37. What I like the most about my job is
Q38. I’d like to give some feedback
Appendix 2: Email to Survey Population

Hi [NAME]

I am completing my Masters in HR. As part of my thesis I have to complete a research report which includes conducting a survey on motivation at work.

I would really appreciate it if you could take a few minutes out of your day to complete this survey which can be complete on your PC or smartphone, just click this link

https://shsurvey.typeform.com/to/c3G0u5

This survey is specifically a college research assignment and is not a Life Style Sports survey. Therefore your participation is completely anonymous so please do not provide your name or any personal details.

Thanks again!

Sarah Harnett