Can the use of a Performance Management System Increase Job Satisfaction and Retention in the Retail Sector in Ireland?

A Quantitative investigation into the use of a performance management system in the retail sector to increase job satisfaction and reduce staff turnover.

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Abstract

Performance Management Systems (PMS) are a topic under constant investigation through research. Previous research conducted fails to focus on the retail sector. Performance Management is widely regarded as an important measurement tool used at all levels in the organisation to manage people. To remain competitive in an evolving economy, organisations are starting to invest in human capital. It is suggested that organisations lack the knowledge of how this can positively impact the performance of employees. A quantitative research approach was taken to discover the relationship between three variables, performance management systems, job satisfaction (JS) and motivation within the retail sector in Ireland. The questionnaire was distributed among 100 employees in a selected organisation receiving 73 responses within a short two-week period. The research confirms that PMS are positively associated with JS and motivation among employees surveyed within the organisation.
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List of Abbreviations

PMS: Performance management system
HRM: Human resource management
HR: Human resource
HPWS: High performance work systems
HPT: Human performance technology
HPI: Human performance improvement
HPA: Human performance assessment
MBO: Management by Objectives
SPSS: Statistical Package for the Social Sciences
FT: Full Time
PT: Part Time
1. Introduction

In an evolving economy with globalisation and international competitors, organisations need to constantly adapt to these changes to maintain competitive. This is when improving levels of performance becomes crucial. Organisations depends on their workforce and their capabilities as an asset and source of competitive advantage. To remain competitive in a market like the retail sector, human resources identify that it is important to invest in human capital. This is backed up by Nolan (2002) who states organisations are increasingly relying on their employees, their knowledge and capabilities as their source of competitive advantage. Some organisations have still failed to recognise the importance of employees. As the history of management has developed since the 1750s to now it has taken into consideration the importance of employees and their knowledge. Employees are no longer considered as easily replaceable and machinery or equipment are no longer an organisation’s greatest asset. HRM has become a strategic element within an organisation and is vital for success. It is difficult to understand how an organisation is performing well without using a PMS to assess how well employees are performing, what level of skill and knowledge they acquire and what their goals are for the future (Lawler, et al., 2012).

The aim of this study is to investigate the relationship between performance management systems, job satisfaction, motivation and retention in the retail sector. Previous research conducted described performance as an imprecise term that is open to interpretation. According to Venkateswara (2016) there is difficulty in the way performance management is understood. An important aspect of PMS is how management adapt and implement the process for it to be effective. The process needs the right supports in place to be successful according to Lawler et al., (2012) some researchers have stated that even the best system will fail without the right support systems in place. Van der Waldt (2004) discusses how performance management is an approach adapted by management to harmonise work between managers and employees to achieve the organisations strategic goals.

Bititci et al., (1997) considers performance management as a closed-loop process with continuous adaptation to a changing environment. Many organisations continue to run with an annual objective setting and performance appraisal with their
employees which has been proven to have very limited effect. With fast pace organisations waiting until December or January to evaluate performance is insufficient according to Reitman (2017). Few organisations have a well-integrated PMS. Over the past 25 years according to Khera (2010) HRM has had an impact on performance behaviour and job satisfaction which has drawn attention to both topics. Cherrington (1994) believes that job satisfaction refers to how much an employee likes their job. Bateman and Organ (1983) believe that an employee’s level of satisfaction results from the efforts within the organisation. Job satisfaction is on an individual basis depending on the level of satisfaction in relation to working conditions, pay and progression within the company (Sawitri, et al., 2016).

Individuals have intentions, if aspects of the job correlate they tend to have a higher level of satisfaction. When colleagues are experiencing increasing job satisfaction and are focal, it gives other employees prospects in the organisation and decreases the likelihood of looking for other jobs (Dong, et al., 2012). According to Swaitri et al., (2016) a person will go beyond their duties and do anything to improve his company because of his belief in the organisation due to job satisfaction. Job satisfaction is an umbrella term that represents work satisfaction, enthusiasm, and enjoyment. Job satisfaction has been considered a significant factor in determining increased employee commitment and a decreased turnover rate (Wright & Bonett, 2007).

The retail industry has one of the highest turnover rates than any other industry. According to Hart et al., (2007) this is a result of employing the highest rate of part time workers and being viewed as a poor career choice. Kang et al., (2014) adds low pay and a lack of progression to the list of challenges in the retail sector. There has been a shift in what an organisations greatest value is according to Drucker (2001). In the 20th century an organisation would consider their equipment as their most valued asset, this has since shifted to the organisations employees and knowledge being valued most in the 21st century. Finding ways to motivate employees is a constant concern for managers.

Theorists continue to provide motivation theories attempting to solve this problem. From Maslow’s hierarchy of needs theory to his two-factor theory researchers he has made an impact, but it has its critics. Maslow explains that everyone has five kinds of needs: physiological, security, belonging, self-esteem, and self-actualization. He
has demonstrated these needs in a pyramid known as the hierarchy of needs (Sharlyn, 2015).

Despite there being a large volume of research conducted in the areas of Performance Management Systems and Job Satisfaction there is a lack focused on specifically the retail sector in Ireland. The retail sector faces challenges globally with retaining employees. The author linked the lack of PMS in place and the high turnover in the retail sector and found a gap where research could be conducted. The primary aim of this report is to establish the impact PMS can have on job satisfaction and motivation of employees if implemented correctly. The study is based on an Irish organisation in the retail sector across four different stores. The study looks into different variables such as gender, age groups, full time or part time workers and length of employment in the organisation.

1.1 Research Questions and Hypotheses:

The main research question for this study is “Can the use of a Performance Management System Increase Job Satisfaction and Retention in the Retail Sector in Ireland?” which the research hopes to answer. The following four hypotheses were developed from this research question:

1. *It is proposed that Performance Management systems will be positively associated with Job Satisfaction / and motivation*
2. *It is proposed that employees who work within the company for a lengthy period will be less open to new PMS being introduced”*
3. *It is proposed that higher motivation results in higher Job Satisfaction*
4. *It is proposed that there will be generational differences in attitude towards PMS*

The hypotheses are based on what the literature has shown the author and the gap that is present in the retail sector. The hypotheses are a prediction that the author suggests will be the outcome of the research. By investigating the impact of PMS on job satisfaction and motivation the author feels as if the issue of retention in the retail sector in conjunction could be resolved. For a global issue in retention and high turnover rates previous research lacks in showing how it could be improved.
1.2 Organisation of the Study

This thesis is divided into six chapters. This first chapter introduces the main topics, Performance Management Systems, Job Satisfaction and Ireland’s retail sector, and discusses the aims and objectives of the study. The second chapter is a literature review which provides an in-depth review of the relevant literature in the field of Performance Management Systems, Job Satisfaction, Motivation and Retention in the retail sector. The literature review will identify gaps in research and suggest how the new findings from this study may address those gaps. In the third - methodology chapter, the research strategy and quantitative approach taken are evaluated. Factors such as the participants, survey sample and targeted population, data collection method, limitations, error and bias and ethical considerations are also discussed. Results gathered from the survey are discussed in the fourth chapter; including detail of SPSS data analysis and graphs. The fifth chapter, the discussion, will critically evaluate the results in the context of prior literature. Finally, the conclusion chapter will revisit the aims and objectives discussed at the beginning of the study and provide a discussion of recommendations and avenues for future research.
2. Literature Review

Throughout this chapter literature will be examined and critiqued in relation to the topic of the research, performance management systems and its relationship with job satisfaction, motivation and employee retention in the retail sector in Ireland. The aim of this chapter is to highlight previous work done in the authors selected field and identify relevant research gaps within that work. The material discussed throughout this chapter is drawn from different sources but primarily sourced from past journals on similar topics.

2.1 History of Management

To understand the present, we must know something about the past. Management became a prominent concern in the 1750’s when the Industrial Revolution began in England. Factories grew needing more managers, as the task never existed before it became a problem. There was no common body of knowledge about how to manage or how a manager should act (Hitt, et al., 2014). The management concept can be described as ‘fuzzy’ because of the constant change and tendency to evolve to meet the need of the economy. Management continued to evolve from Scientific Management where some elements of ‘Taylorism’ was referred to as dehumanising to Classical Management. This approach has been criticized because identifying “one best way” to administer organizational activities is too ambitious and is a common criticism of the seminal authors (Wren, 1994). “A place for everything and everything in its place” “A place for everyone and everyone in his place” (Fayol, 1949, p. 36). He fails to go in depth into how to develop and maintain a motivated workforce. According to Wook Yoo, et al., (2006) Fayol considered his principles of management to be flexible and adaptable to every organisational change and need for change.

A classical theorist Mary Parker Follett defines management as the ability to get the job done by the commitment and engagement of people. She highlighted the importance of "powering with" instead of "powering over" in a Neo-Classical Management style (Parker, 1984). This lead to the Human Relations approach and Human Resource Approach.
2.2 Performance Management

Harper and Vilkinas (2005) produced literature that suggests companies with an effective PMS are more inclined to have highly motivated employees with a high satisfaction level for their job. It is difficult to use one explanation or definition for Performance Management as it is open to variability in research (Folan, et al., 2007). Performance management is considered a closed-loop process in which performance measures are used to manage and improve organisational performance through continuous adaptation to the changing operating environment (Bititci, et al., 1997). There is no correct way to approach performance management, each organisation adapts a different approach depending on elements such as: the context of the organisation, the structure, the organisational culture and type of employees. Performance management is a process where an employee and those concerned with their performance engage in a discussion regarding their performance within the organisation. It is used as a tool to assess recent performance and focus on the future of the employee as a valued member of the organisation. PMS also known as high performance work systems (HPWS) by Schmidt and Pohler (2018) are designed to foster greater commitment and motivation from employees. This backs up previous research carried out by Dransfield (2000) who believes that PMS is a holistic and integrated process concerned with the performance of individuals enabling them to have a shared objective remaining committed and motivated.

Armstrong and Murlis (2007) indicate that the philosophy of performance management is strictly linked to the belief that it is the natural and fundamental process of management. In the last 30 years, there has been a shift from performance measurement; what to measure, how to measure and how to report the results to performance management; how to use the measures to manage the performance in the organisation (Bititci, et al., 2016). For comparison Abdolvand, et al., (2015) discusses how the management perspective is emphasised instead of the measurement perspective. Therefore, performance improvement, which is the result of management, is more desired than performance control, which is the result of measurement. PMS as defined by Armstrong (2006) is not a system but a systematic way of approaching the continuous development of the organisation and its employees.
Performance management is described by Van der Waldt (2004) as an approach that management adapts to combine managers and employees to work in harmony towards the achievement of the organisations strategic goals. Venkateswara (2016) defines performance management as doing all that is necessary to continuously improve the performance of each employee in relation to their role, their team and the entire organisation aligning with the short and long-term goals of the company. Both authors come to the same destination, at the organisations goals. Venkateswara (2016) has created a performance management equation that describes the different factors affecting an individual’s performance. “Individual Performance = Ability × Motivation × Organizational Support + Chance Factors” (p. 30) Also described as; “Performance = Competence × Commitment × Culture that is supportive and enabling + Chance factor” (p. 30).

With the increase in technology, performance management can be easily administrated. Technology can help not only monitor performance but track goals and objectives. The use of 360-Degree feedback is computer-based technology designed to help the PMS. Performance management is an umbrella term that includes three different elements: performance planning, performance review, and performance appraisal. Performance reviews remain one of the most important elements of human resource management (Lui & Dong, 2010).

2.2.1 PM Process

Performance Management Systems are an upgrade from the conventional appraisal systems previously used within organisations. The success of PMS lies on the level and skill of the implementation. Performance planning and performance review are two important steps of PMS processes (Akella & Waqif, 2017). In recent years performance appraisal has become a very important part that helps in company growth. It is important for organisations to look at whether the process they take is right or not. Performance management differs in each sector, it is important for the company to understand that need and prepare accordingly. The difference lies within the expectations of managements for employees.

Mattone (2013) discusses the ten principles of positive performance management which focus mainly on the employee and the process of the performance management system not mentioning the organisation or the working environment.
This contrasts with Bussin (2013) who identifies three levels of performance management. He believes that performance management requires an understanding of the organisation and its environment, the processes within the organisation, and the contribution of individuals to the organisation. All three levels impact each other to achieve the organisations goals.

- The organisation – considering the environment and industry norms set realisable competitive goals.
- The process – the process and procedures within the organisation and the best fit model.
- The individual – creating meaningful work and having a sense of purpose within the organisation leads to engaged employees.

The term performance is discussed in a recent article under three priorities according to Folan et al., (2007) which relates to Bussin (2013) mentioned above. Firstly, when evaluating performance, the company must analyse it against another organisation within the same market. Secondly, performance should always be measured against goals, objectives and targets set within the organisation. Thirdly, the priorities set should align with and relate to the company’s performance. Both Folan et al., (2007) and Bussin (2013) mention the important of the organisation and their goals which Mattone (2013) fails to mention. As previously mentioned PMS are designed to harmonise between employees and employers to reach organisation goals together. Aguinis (2013) also points out that performance management is a continuous process, that it is in manager’s daily tasks and not an annual task within organisations if they want it to be successful.

2.2.2 Types of PMS

Performance appraisals are the exact same thing as performance reviews. Appraisals are a common process used by managers to evaluate employee’s performance to achieve the organisations goals (Debrincat, 2015). Torrington et., (2002) discuss the intentions of an appraisal system that are to measure a variety of aspects such as: personality, behaviour, systems analysis and achievements. When managers are evaluating employee’s performance according to Mattone (2013) it is based on the following belief: “Leaders and their employees must strive to make performance
reviews complete, honest and timely” (p. 1). Sahoo & Mishra (2012) describes appraisals as not only an evaluation tool but also as a strategic tool in organisations.

According to Armstrong (1999) the purpose of an appraisal is to provide an opportunity for both managers and employees to reflect on past performance and make any improvement plans needed for the future. Appraisals are considered as time consuming in the eyes of management according to De Waal and Counet (2008) this could be a reason behind the impediment of PMS. It is argued that it is essential to consider other sources in appraisal due to the substantial development in the structure, procedure and culture in an organisation as discussed by Fletcher (2001). This is known as 360-degree feedback. This method uses various sources within the company to gather different perspectives on an employee’s performance. Sources include supervisors, managers, colleagues, the employee themselves and customers if possible (Sepehrirad, et al., 2012). Espinilla, et al., (2013) discusses how a 360-degree feedback is based on the opinion of people who socialize with employees meaning they can truly respond to how an employee performs. It is important to discover what appraisal methods Organisation X uses, and how they can be improved to increase their effectiveness.

The PMS implementation has many challenges. Measurements can be erroneous due to usual human factor (Akella & Waqif, 2017). Managers are reluctant to rate their employees and most of the times employees are not convinced that ratings are fair (Henderson, 2007 & Chadha, 2003) The performance measures can be dysfunctional (Spitzer, 2007).

2.2.3 Cross Tabulation within Data Analysis

During this study several demographic questions asked at the beginning were used during the data analysis as different levels. The three that have acted as levels in data analysis are Generational Differences; Gender differences and FT/PT differences. The choice to implement these levels is backed up by literature below.

Previous research shows that it is important to understand generational differences and how they can affect work relationships and the effectiveness of communication, engagement and performance management strategies (Akhavan Sarraf, et al., 2017). The researcher used this information to add levels based on age into her data collection. Through this the researcher will compare different generations to see if it
is true that their generational differences affect performance management. According to Deal (2006), the generational differences in the workplace is a myth. The four generations that make up our workforce are described as:

1. The silent generation (born before 1946) – values hard work
2. Baby Boomers (born between 1946 – 1964) – values loyalty
4. Generation Y/ Millennials (the new generation entering the workforce) – values innovation and change

Deal (2006) states after conducting research for over 7 years that the most striking results is how similar generations are, and not how different. Due to the unfortunate turn of the economy, and the increase in life span the retirement age has changed and the so-called Baby Boomers are still working. Different generations are working together in organisations now more than ever. This may have affected the differences between generations (Tipton, 2012).

The gender differences according to Hodson (1989) is predominately that Males and Females have different values and expectations. What they consider to be important is evident as they place a great emphasis on different characteristics. It can be said that women have lower expectations than men. A difference that Van der Heijden et al., (2009) noted is that female employees interact more often with their designated supervisors at work than men. As a result of this relationship women may receive more work-related feedback from supervisors than men. Brass (1985) and Tanggaard (2006) both mention exclusion of females from work networks, meaning their access to information is limited. There is evidence of advantages for both males and females. These proposed advantages are mediated by the workplace factors such as task delegation and work interactions.

Thorsteinson (2003) has found that there is little difference between FT and PT employees except FT are more involved in their jobs. Conway and Briner (2002) discuss the fact that FT workers have a physiological commitment to the company known as a physiological contract whereas PT employees don’t. This can be shown in their performance, attitude and willingness to learn (Conway & Briner, 2002).
2.2.4 Human Performance Technology (HPT)

HPT also known as human performance improvement (HPI) or human performance assessment (HPA) is a systematic approach that is vital for an organisation to be globally successful according to Nel (2014). In a constantly changing economy a new significance has been placed on workplace performance. The HPT process identifies a performance gap by comparing the present to the desired levels of individual and organisational performance. HPT is technology that monitors all variables that affect human performance. HPT is a common methodology used in organisations to understand, inspire, and improve people; they study and redesign processes leading to increased performance in the workplace (Van Tiem, et al., 2001). HPT is used in workplaces to identify the factors that enable workers to perform their jobs. Performance Technologies are used to improve both the organisations performance and the individuals.

HPT’s systematic model is used to:

1. Access a need or opportunity
2. Identify factors that may limit performance
3. Design solutions
4. Develop solutions
5. Implement solutions

2.2.5 Management by Objectives (MBO)

The combination of management and employees working together to set goals and track objectives can be known as Management by Objectives (MBO). Ducker (2006) introduced a method for checking if organisations objectives were sensible. SMART is an acronym representing Specific, Measurable, Achievable, Realistic and Timely these five elements should be considered when setting objectives.
It is suggested by Mullins (1999) that it provides further opportunities to staff to accept more responsibility and to increase personal contribution. Like any other theory MBO has its critics as it is suggested that MOB programs take up a considerable amount of time and effort although it is prone to failure according to (Carroll & Tosi, 1973). MBO is considered similar to PMS since both set out objectives that will receive continuous feedback and appraisals.

A key element of HR is to provide a context where employees have the ability to grow, be motivated and progress within the organisation towards the strategic goals (Jiang, et al., 2012). The MBO system could be the system HR developed in the future.

2.3 Increased Job Satisfaction

Job satisfaction can be defined as the level of contentment and satisfaction an employee desires from their job. It is defined as employees’ willingness and ability to contribute to company success (Silky, 2017). The level of satisfaction an employee has impacts their performance within the organisation (Landis, et al., 2015). Tumen and Zeydanli (2016) supports Landis et al. (2015) by reiterating the importance of job satisfaction. Tumen & Zeydanli discuss the link between job satisfaction and an employees level of performance and productivity. Job satisfaction refers to how much an employee likes their job according to Cherrington (1994). Job satisfaction is essentially an individual thing. Individuals will have a different level
of satisfaction according to their value system (Sawitri, et al., 2016). If aspects of the job correlate to the individual’s intentions, they have a higher level of satisfaction.

The work environment initially was considered as a building or the premises of the organisation, but it is far beyond that. The work environment is social, mental and physical. Poor work place environments lead to low job satisfaction, low productivity, absenteeism, burnout, depression and a high staff turnover (Mcgowan, 2001). The condition of a working environment is noted by employees are drives a level of job satisfaction which affects their behaviour at work. Job satisfaction plays a vital role in the determination of an organisations performance according to (Lok & Crawford, 2004) this is echoed by Wan and Leightley (2006) who also believe job satisfaction affects organisational performance.

Wong et al., (1998) believes that intrinsic and extrinsic factors influence a person’s level of job satisfaction. Mahdi et al., (2012) argues that job satisfaction relates to an individual’s attitude towards his or her job and value judgement relating to the work-related rewards. Intrinsic and Extrinsic factors increasing Job Satisfaction and Motivation can be understood through the development of Herzberg’s two factor theory. There is a distinct connect between a person’s attitude and commitment to their job according to Oshagbemi (1999) this relates to Olusegun (2013) who discusses job satisfaction as an important predictor of employees’ attitude towards their job and their work behaviour. It is highlighted that satisfied employees are likely to be high motivated and vice versa (Zafar, et al., 2014).

2.4 Motivation

Human beings are pre-wired to be motivated. Everything that we do, even get up and eat is driven by motivation. What drives a person is complex and can differ making it difficult in the workplace to motivate employees. This has been mentioned as a struggle manager face according to (Podmoroff, 2015). Employee motivation is a way that employees go above and beyond to achieve unusual goals (Fiaz, et al., 2017). According to Anitha (2014) an employee’s level of motivation depends on their emotional or psychological connection to the organisation. Motivation can be differentiated in two ways such as; We distinguish between two dimensions of motivation: the motivation to attain a focal goal and process focused to “do things right” (Touré-Tillery & Fishbach, 2014).
Maslow’s hierarchy of needs theory is very popular and well known but as expected it has its critics. Research has shown it is inconsistent (Wahba & Bridwell, 1976) and that it can’t be applied as easily to other cultures (Adler, 2007). Maslow brings together various human needs to create this pyramid. He believes that all people seek to satisfy five needs: physiological, security, a sense of belonging, self-esteem, and self-actualisation. Once a need it met it is no longer a source of motivation. He believes that the needs must be met at the lower level to progress to the next level (Sharlyn, 2015).

(Maslow, 1943).

Herzberg has a two-factor theory which was developed in 1959. The two factors are Motivation and Hygiene Theory. Motivation are intrinsic factors such as challenging and meaningful work, recognition and rewards for hard work and being valued/vital to the organisations success. Hygiene are extrinsic factors such as job security, salary and title within the company (Daw & El Khoury, 2014). A PMS should be designed to meet these needs of employees.

Using PMS in an organisation it provides a continuous process where both managers and employees work together to monitor and review employees work. PMS also gives an opportunity for both parties to discuss and create a well-thought-out plan for
future opportunities. It provides a clear direction to employees where they can constantly increase their skills and advance within the company. By implementing various motivational mechanisms this tends to result in employees working harder (Phelps, et al., 2007).

2.5 Challenges of the Retail Sector and Economy

According to Ibec (2016) the largest private sector in the Republic of Ireland is the retail sector. People varying in age, race, sex, experience and nationality are employed within the retail sector. The reason to focus on this area of the private sector is due to the nature of work involved. Hours, pay, benefits, progression opportunities, work practices and conditions are all factors which influence employees outlook to working in retail. It is important to get an understanding into how these conditions influence job satisfaction and retention within the sector. The retail sector faces considerable challenges globally. This is a result of employing the highest rate of part time workers, a high level of staff turnover and a poor image as a career (Hart, et al., 2007). However Kang et al (2014) states that the challenges faced are because of the sector being known for low pay and the lack of advancement opportunities. Young employees working in the retail sector only see their employment as part time and not a long term career option (Thakre, 2015). Having progression opportunities and a reward system in place according to Armstrong (2009) can help increase job satisfaction and retention. The retail sector is one of the service sectors that increasingly needs modern human resource and employee engagement and motivation strategies. Mahdi et al., (2012) and Olusegun (2013) argues that the main cause for employee turnover is job satisfaction and an individual’s attitude towards his or her job and how the value the reward systems in place.

The retail sector is highly labour intensive and is dependent on employees to provide a service to customers (Singh & Prakash, 2013). Currently in the retail sector, retention and motivation of employees is becoming an increasing concern for Human Resource Managers. Retention engages five major things: Competition, Environment, Growth, Relationship and Support (Singh & Prakash, 2013). In 2008 Ireland was faced with an economic crisis exerting increased pressure on organisations within our usually thriving economy to deal with and survive through the setbacks this crisis caused. To survive during this crisis organisations resources
were cut resulting in a decrease in working conditions and benefits for employees and an increase in workload (Roche & Teague, 2014).

As displayed above, there is extensive literature and research that has previously been conducted into performance management, how it has evolved from measurement to management and how it will continue to evolve. The economic market is regularly adapting to new technologies, emerging brands and an increase in competitors. However, the research shows that companies that have a more enlightened approach to employee engagement including performance management will outperform their competitors. Organisations fail to see the benefit in investing in a performance management system to date and are faced with a high level of turnover. Previous literature suggests that having an engaged workforce directly affects retention rates and increased productivity. A performance management system could help in the process of engaging employees.

2.6 Retention

Employee turnover is a topic that is under constant investigation by researchers (Cuskelly & Boag, 2001). A major challenge that multiple organisations face today is retaining skilled employees once they have been hired and trained. In retail reasons like low pay, weekend work, lack of progression, and high turnover has been a cause of low retention. It has become easier for employees to jump from job to job even changing industries thus reducing employee’s organisational loyalty (Mandhanya, 2015). As each employee operates differently there is no single strategy or retention plan which may satisfy every employee in an organisation. Multiple HR system have reached the same conclusion that a one size fits all approach is unrealistic. Using differentiated HRM systems designed specifically for an organisation can help attract and retain talent thus leading to improved organisational performance (Lepak, et al., 2003).

Retention plays a vital role in the success of an organisation. High turnover rates create high recruitment costs, loss of key employee’s skills and knowledge and directly links to a lower level of customer satisfaction. Retention has become a topic of interest due to globalisation employees can changed between jobs making it a challenge for organisations to retain staff (Chhabra & Mishra, 2008).
2.7 Conclusion

Recent literature gives an insight into the development of management and how theories created are still used today in some form. By looking at management since the 1750s we can get an in-depth understanding of the change process. The change in what was considered most valued within an organisation has shifted from equipment to employees. This has brought on the development of Performance management systems to continuously develop employees to improve productivity. Organisations have stepped away from bureaucratic leadership and hierarchy with strict rigid rules to a more flexible and creative environment. The lack of previous research highlights relevant gaps for research to be conducted in the retail sector specifically in Ireland.
3. Research problem/aim

Throughout the literature review, although PMS is a topic that is heavily investigated few studies focus on the retail sector in Ireland. As the author currently worked in this sector and was aware of the lack of PMS in her organisation, once the literature had also confirmed a gap she felt it would be an area for further research. The factors that make up the retail sector appear to be correlated with the high turnover of employees and the retention issues. These two components combined created the initial idea for this research. To get a well-rounded opinion into the problem the questionnaire was disturbed among employees with a vast amount of experience. This study hopes to give an insight into the importance of PMS and its impact on job satisfaction and motivation among employees.

The question that will be leading the study in question is:

*Can the use of a Performance Management System Increase Job Satisfaction and Retention in the Retail Sector in Ireland?*

The following four hypotheses were developed from this study:

1. “It is proposed that Performance Management systems are positively associated with Job Satisfaction / and motivation

2. “It is proposed that employees who work within the company for a lengthy period are less open to new PMS being introduced”

3. “It is proposed that higher motivation results in higher Job Satisfaction”

4. “It is proposed that there will be generational differences in attitude towards PMS”
4. Methodology

This section will only concentrate on the Methodology of the study and different kinds of research methods specifically focusing on the method chosen by the Author and the justification for this decision. It would also be important to differentiate the types of data and their advantages and disadvantages. The research methodology approach can be described as a map that acts as an itinerary for the researcher.

4.1 Research Definition

Research can be defined as “something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge” (Saunders, et al., 2012, p. 5). Through this research being carried out we are increasing our knowledge on the correlation between Performance Management Systems, Job Satisfaction and Motivation in the Retail sector in Ireland.

4.2 Research Philosophy

Research Philosophy is the belief and opinion of the way data should be gathered, analysed and used. Saunders et al., (2012) stresses the importance of research philosophy. By understanding the different research philosophies and appropriately selecting the right one for the study it sets out the direction the research will take.

In literature to date there are different definitions of paradigms associated with research philosophy many overlapping each other. Researchers such as Saunders et al., (2009) have engaged and exhibited their knowledge and beliefs related to these different definitions and this got interpreted as paradigm “wars”.

According to Mkansi & Acheampong, (2012) the two most recognised philosophies are interpretisim and positivism. Positivists believe that reality is stable and can be observed and described from an objective viewpoint (Levin, 1988). The two main methods of thinking about research philosophy are ontology and epistemology.

Guba and Lincoln (1994) argue that positivism is rooted in the ontological assumption of objective reality. In terms of positivist ontology, the world is external, there is a single reality to a research phenomenon regardless of the researcher’s beliefs (Hudson & Ozanne, 1988). The research methodology approach adapted in this case is important, the researcher remains detached from the participants by
creating distance within the study by selecting a Quantitative method (Carson, et al., 2001). The research style adapted within this approach is controlled and structured.

Every person has a different sense of what is reality and what they socially construct to be their own. This is the interpretivist's view. Regarding epistemology, an individual has a social construct where information and knowledge is gained so interpretivists believe. An interpretivist approach to research is more qualitative using methods such as interviews, focus groups or participant observation to gather opinions, focusing on the ‘why’ rather than the ‘what’. Interpretivists discuss that individuals are complex and how they interoperate the same reality can differ. Interpretivists believe scientific methods are not appropriate because of this. Interpretivists also known as anti-positivists argue that individuals are not puppets who react to external social forces (Anon., 2015).

4.3 Research Approach/Strategy

In research method and design deliberations the difference between quantitative and qualitative methods is a subject constantly under the microscope. The difference between the two is that qualitative study expresses human experiences and opinions into words that are descriptive, whereas quantitative research expresses them in numbers (Duffy & Chenail, 2008).

Existing literature and studies in the areas of PMS, job satisfaction and motivation in the retail sector and knowledge gained in different research philosophies the author has decided that the use of the positivism perspective is most beneficial. The reason behind this decision is the author is looking to find out ‘what’ rather than ‘why’ within the chosen research areas. Positivist researchers are looking for relationships or correlations between two or more variables. Data will be collected using the quantitative approach which is the most common form of data collection. According to Hinchey, (2008) quantitative is also known as empirical research. Techniques such as statistical and mathematical are essential to positivist research (Carson, et al., 2001).

The author has taken a descriptive research method which is more systematic and structured. According to Robson (2002) descriptive research methods provides a precise profile of individuals, events or situations. Descriptive studies are mostly
based on quantitative methods and use numerical tools to evaluate the results using programs like SPSS.

Quantitative research methods look at relationships between different variables using structured questionnaires and a Likert scale. The researcher used a questionnaire as the research instrument. The questions used within each scale have been used before will increase the validity and reliability of your results according to Boeren (2018). A Likert scale is a psychometric scale used commonly used in research questionnaires as it is considered the most widely used approach to scaling responses. Scaling responses can be categorised as; three-point, five-point and seven-point scales. These are all known as a “rating scale” which contains two or more options. By using rating scales, the researcher can measure opinions and behaviours in a quantitative approach. Without the use of scaling the researcher runs the risk of collecting responses with bias thus impacting the validity of the study (Anon., 2018). All items within the scale are assumed to be replications of each other (van Alphen, et al., 1994).

According to Pathak et al., (2013) Qualitative is a less reliable source of data collection. Qualitative requires less people as a method of observation rather than numeration. Reliability in research measures the consistency and stability of the data collected. A scale should reflect the construct its measuring. Cronbach Alpha (1951) developed by Cronbach is used to determine internal consistency regarding a single test according to (Inal, et al., 2017). According to Saunders (2007) the research strategy is how the researcher intends to carry out the study. The strategy can be approached several different ways such as: Observational research, experimental research, case study research, interviews or surveys.

### 4.4 Sampling

It is impossible for a researcher to every member of a group or population. This is where a sample occurs. The sample is taken from a large group known as the population which is used to make inferences on the greater population according to (Saunders, et al., 2009). A sample is also known as a segment of that population that is selected for research. Bryman and Bell (2007) describe a sample as a subset of the population. The sole source of the author’s research will be based within one organisation in the retail sector in Ireland. The survey was distributed among
employees and received a total of 73 responses. The organisation has over 2,200 employees in 110 stores across Ireland, the UK and Wales. The author had hoped to achieve between 60-80 responses. The survey was equally distributed among different departments, full time or part time employees or status within the company within 4 stores in Dublin. There was no special preference given to any department within the organisation.

4.5 Pilot Study

Goldsmith (2010) discusses the primary role of a pilot study to pre-test the questionnaire and highlight any problems that then can be avoided in the live study as well as in the recording and data analysis which comes after. According to Saunders et al., (2009) a pilot study is conducted to ensure respondents can understand and answer the questions asked. During the pilot study the reliability and validity of the questionnaire can also be tested to some degree according to (Saunders, et al., 2008). The author asked 8 friends who have a vast amount of retail experience to test the survey. Prior to conducting your research taking the time to conduct a pilot study has its advantages. A pilot study can provide you with some face validity whether your questionnaire is going to make sense (Saunders, et al., 2007).

4.6 Strength and Weaknesses of Questionnaires

When selecting or structuring a questionnaire Cohen et al. (2011) discusses the need to make clear decisions with the content and the wording of the questions. Open questions can leave room for the respondent to provide an unspecific or vague response, whereas the use of a formulated option through Likert scales or rating exercises can often provide us with more precise answers.

The questionnaires selected were structured in a specific order by the original author. The researcher recorded analysed and interested the data in SPSS. When analysing the data, the researcher considered that all forms of research sources have strengths and weaknesses, this is inevitable in the gathering of data. There are many benefits associated with questionnaires such as;

1. Cost effective – Online questionnaires are one of the most affordable ways to gather quantitative data.
2. Flexible – participants can fill them out in their home where they may feel more open to providing honest answers
3. Anonymity – the user is completely unknown.

Questionnaires also have weaknesses according to Oats (2012) which includes:

1. The difficulty in getting participants to fill out the survey at home.
2. Constructing the survey can be difficult – some online systems are awkward in the design aspect.
3. Designing the questionnaire correctly to allow data to be gained for responses.

The scales used by the author were pre-defined structured questions that participants are asked to honestly answer keeping the organisation in mind. The data gathered was then recorded, analysed and interpreted by the researcher. As previously discussed, both methods of research have strengths and weaknesses which need to be considered when analysing and interpreting the data received.

4.7 Demographic Questions

Once the data is collected, it can be divided into various groups based on demographic information gathered. The demographic questions allowed the author to bring a degree of separation to cross tabulate and critically analyse the data.

The demographic questions asked at the beginning of the questionnaire were as follows:

1. Gender
2. Age
3. Full time or Part time
4. Length of time in the organisation

These demographic questions were asked because of literature that highlighted the importance of highlighting the difference.

4.8 PMS Scale

The PMS scale used in this research has been previously used in research papers measuring PMS within an organisation. The scale is made up of 15 questions and the style for answering the question varies. A brief understanding of PMS was explained
at the beginning of the questionnaire “PMS is as an approach that management adapts to combine managers and employees to work in harmony towards the achievement of the organisations strategic goals” this was provided to allow the participants understand exactly what it entails. This scale was designed in a difficult manner. The questions were asked as follows: As the scale was designed in a different manner when the author brought the data gathered into SPSS this scale was scored differently to the Job Satisfaction or Motivation scale as the lower the score the more positive the response.

4.9 Job Satisfaction Scale

The Job Satisfaction scale used as part of this study was developed by Paul Spector in 1985. This instrument has been repeatedly tested for its reliability and validly. The scale is made up of 36 questions on a 6-point Likert scale from 1 - Disagree very much to 6 - Agree very much. A brief understanding of job satisfaction was explained at the beginning of the questionnaire it explained how your level of satisfaction you have for your job and the impact this satisfaction has on your performance is known as JS. this was provided to allow the participants understand exactly what it entails.

4.10 Motivation Scale

The motivation scale was taken from a paper in the Canadian Journal of Behavioural Sciences and is made up of 18 questions measured using a 7-point Likert scale from 1 – Strongly Disagree to 7 – Strongly Agree. A brief understanding of job satisfaction was explained at the beginning of the questionnaire the level of energy, commitment and innovation that employees bring to their jobs described Employee motivation. This explanation was provided to allow the participants understand exactly what it entails.

4.11 Error and Bias

The survey respondents are current employees of the organisation that the questionnaire is being distributed in this could have led to dishonest answers. By stating at the beginning that the survey is confidential, the data gathered will be restricted the author hoped that this would decrease the chance of bias being present in the data. The survey could be conducted at the comfort of their own homes which could be considered a more relaxed environment getting an honest answer. By
carrying out a pilot study to pre-test the survey the author hoped that they
participants would fully understand what the questions were asking and avoid errors
in the answers provided. Finally, out of the hands of the researcher, distractions,
fatigue or time restraints may have impacted the completion or validity of the
answers provided according to (Saunders, et al., 2008). All the above was considered
by the author during the data analysis.

4.12 Distribution Methods
The distribution of questionnaires was a simple process for the Author as she was
employed in the organisation the research was carried out on. The author distributed
the surveys through access granted to work emails from agreed participants. The
participants could complete the survey in the comfort of their own home where they
would feel more comfortable to answer honestly. The author felt it would be
unnecessary to hand out paper copies of the questionnaire as the confidentiality of
answers would be questionable.

4.13 Ethical Considerations
Ethical considerations in research are critical. Therefore, at the beginning of the
research it was explained prior to participants giving consent. The handling of any
ethical issues can greatly impact the researches integrity. Having ethical standards
can prevent fabrication of falsifying data. By doing so, it can provide the right
support to receive honest answers which is the primary goal of the research. Ethical
considerations address issues such as honesty, respect, confidentiality, objectivity
and many others.

At the beginning of the survey it was made clear to the participants what the purpose
of the research was and why it was being conducted see Appendix 9.1.

4.14 Limitations
Although throughout the research the author tried to carry it out with diligence and
care. There will always be certain limitations or struggles that we have while
conducting research. As previously mentioned the method of data collection was
Quantitative – questionnaires. The author is assuming that the answers supplied are
honest providing accurate results. It was explained to the participants the data
collected was confidential and the author hopes that this provided some peace of
mind to respondents to answer honestly. The imitations that appeared during
research being conducted that may impact of influence the interpretation of the findings were noted throughout the research. *There are as follows;*

1. One major limitation would be the scope of the study. The study was only carried out in one retail organisation.

2. The employees who participated within the survey are current employers and may have been hesitant to saying something negative in fear of the data being seen.

3. Participants privacy – at the beginning of the study they were informed of the rationale behind the study and how the data gathered will be used. The participants can withdraw at any time and can request to see the information gathered.

4. Volume of responses received may not be enough to account for a large population.
5. Analysis/Findings

A large amount of data can be gathered through research, it is imperative that the information gathered is analysed in an effective way. The organisation of the data gathered through research is important because it makes the data easily read to see patterns and predict trends. The author used a Statistical Program for Social Sciences (SPSS) to perform statistical data analysis. The main objective of this research is to study the impact PMS can have on JS of employees in a selected organisation in the retail sector in Ireland. The three main variables within this study are Performance Management System, Job Satisfaction and Employee Motivation. The three main variables were measured in a survey using Likert scales.

5.1 Descriptive Statistics

At the beginning of the survey the participants were asked demographic questions. These were used to gain a greater insight into the participants characteristics. The survey was distributed among approximately 100 employees. The survey received 73 responses. The four demographic questions asked were Gender, Age, Full or Part time and Length of time working in the organisation based on findings in the literature review.

Graph 1: The breakdown of participants gender

In the pie chart above the blue stands for 68.5% of participants who are female and the green stands for the remaining 31.5% of participants who were male. As previously mentioned in the Literature review Hodson (1989) explains the gender
differences as Males and Females have different values. They place a greater emphasis on different characteristics. It is said that women have lower expectations than men. To use this information, it was important to be able to distinguish the answers from a male and female perspective.

**Graph 2: A breakdown of the three age categories of participants**

According to Akhavan Sarrat et al., (2017) it is important to understand generational differences and its effect on PMS. The retail sector employs the highest rate of part time employees such as: school and college students. This is evident as the largest percentage at 46.6% of participants fall into the under 25 age category. As previously mentioned the retail sector is not seen as a career this could be evident by the smallest percentage at 20.5% of participants falling into the 36 and over age band.

**Graph 3: A breakdown of whether participants were FT or PT employees**
In the pie chart above the orange stands for 61 out of 73 participants were FT at 83.6% and the blue stands for the remaining 16.4% of participants who were PT. According to Thorsteinson (2003) FT employees are more involved in their jobs than PT employees. FT workers have a physiological commitment to the company known as a physiological contract, whereas PT employees don’t. This commitment is demonstrated by their performance, attitude and willingness to learn (Conway & Briner, 2002).

**Graph 4: A breakdown into three bands of time spent in the company**
The study is carried out on an organisation in the retail sector in Ireland. Several issues with retention in the retail sector has already been addressed in the literature review such as; weekend working, minimum wage and no progression. As visible from the graph employees don’t stay within the company for their career. This is indicated by 8.2% of employees working there for 11 years or above. The highest percentage being 53.4% working for between 2-10 years. The researcher felt it would have been more beneficial if this was broken down into smaller categories. The last band for 1 year or under received 38.4%.

This study aims to gain an understanding into PMS within the selected organisation. To do so, the researcher asked questions to discover how employees viewed PMS as a whole and within their organisation.

**Graph 5: A breakdown in participants opinions if PMS should be conducted or not**

![Graph 5](image)

**Graph 6: An insight into how employees rate their PMS**
The responses for effective and ineffective are closely tied with effective receiving 38.4% and ineffective 37%. This shows that there is room for improvement with the PMS in place in the organisation.

**Graph 7: An insight into what makes the employees motivated to improve in work.**
5.2 Inferential Statistics

5.2.1 Cronbach Alpha Coefficient

To identify the scales reliability, it is tested for internal consistency using Cronbach Alpha. If the result of the Cronbach Alpha test is equal or greater than 0.70 it is deemed as a good reliable scale. This study used three scales, so the test was done for each. Firstly, the PMS scale was tested, this scale consists of 13 items and scored 0.579 meaning it was unreliable. Secondly, the JS scale was tested, this scale consists of 36 times and scored 0.49 meaning it was unreliable. Lastly, the Motivation scale was tested this scale consisted of 18 items and scored 0.848 meaning this scale was reliable. An unreliable scale can have questions within that are deemed unreliable.

5.2.2 Assessing Normality

Assessing your normality is the first step to do before performing any statistical tests as it indicates which tests you should perform. When assessing the normality of a scale it determines whether the sample was drawn from a normally distributed population. The normality test was performed on all three scales. Firstly, the PMS scale was tested, on the Shapiro-Wilk test it scored 0.60 meaning the scale was normal. Secondly, the JS scale was tested and scored 0.55 meaning it was normal. Lastly, the Motivation scale was tested this scale and scored 0.171 meaning this scale was also normal. The test accepts the hypothesis of normality for all three scales because the p-values are greater than 0.05.

5.3 Correlational Analysis

A Pearson r correlational analysis was used to analyse the relationships between all three scales. It is designed to quantify the direction and strength of the linear association and ranges between -1 and +1. According to Fouladi & Steiger (2008) data is significant when p < .05 through pearsons coefficient. The strength of the relationship is divided three; relationship small when r = .10 to .29, moderate when r = .30 to .49 and significant when r = .50 to 1.0. The relationship can be passively associated as higher levels of one variable are associated with higher levels of the
other variable being tested. Alternatively, higher levels of one variable are associated with lower levels of another variable.

**Table 1: Descriptive Statistics giving a further in-depth understanding of the three variables**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMSTotal</td>
<td>16.00</td>
<td>56.00</td>
<td>37.4247</td>
<td>10.32381</td>
</tr>
<tr>
<td>JobSatTotal</td>
<td>91.00</td>
<td>160.00</td>
<td>123.7808</td>
<td>11.72278</td>
</tr>
<tr>
<td>MotivationTotal</td>
<td>32.00</td>
<td>108.00</td>
<td>74.9863</td>
<td>17.26710</td>
</tr>
</tbody>
</table>

This table gives an in-depth understand of the three variables. An understanding of the min and max values, the average response and the std deviation, how close or far away the responses are from the mean. Once again it is important to note that PMS is scaled oppositely to the other scales. The lower the figure the most positive the response. The Std deviation for Motivation at 17.26 a std deviation figure that is low means that most of the numbers are close to the average. If this table showed a high number for the std deviation it would mean that the numbers are spread out from the mean.

1. *“Its proposed that Performance Management systems are positively associated with Job Satisfaction / and motivation”*

Hypothesis 1 proposed that PMS are positively associated with JS and Motivation. The Pearson product-moment correlation coefficient was used to analyse the variables. According to Table 2 the direction of the relationship between PMS, Job Satisfaction and Motivation is negative. It is important to note that in the PMS scale a lower number was more positive. This is the opposite in the Job Satisfaction scale and Motivation scale. The strength of the negative relationship is small ($r = .10$ to $.29$) to medium ($r = .30$ to $.49$). It appears to be a negative figure because of the
difference in scoring for the scales, the higher number for JS and Motivation scales
the lower the score for PMS – which as previously mentioned is more positive.

**Table 2: A correlational analysis between three variables.**

<table>
<thead>
<tr>
<th></th>
<th>PMS</th>
<th>JS</th>
<th>Mot</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JobSatTotal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.16</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.18</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>MotivationTotal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>-.475**</td>
<td>.277*</td>
<td>-</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.00</td>
<td>.02</td>
<td>-</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

2. “*Its proposed that employees who work within the company for a lengthy period are less open to new PMS being introduced*”

Hypothesis 2 proposed that the longer an employee worked within the company the less open they would be to PMS being introduced. The Pearson product-moment correlation coefficient was used to analyse the two variables. The correlation disclosed a negative relationship between the two variables. A result between r = 0.50 to 1.0 is significant. The negative correlation was significant as r = -.078

3. “*Its proposed that higher Motivation results in higher Job Satisfaction*”

As seen in Table 2 it shows that Motivation is positively associated with JS. The positive relationship r = .277 is on the small scale (r = .10 to .29). The two variables differ as JS is an emotional response to his/her job meanwhile, motivation is the driving force behind the person. This correlation suggests that the higher the force behind a person’s motivation the more emotionally invested they are in their job. This hypothesis was accepted.
5.4 One-way analysis of variance

4. “It’s proposed that there will be generational differences in attitude towards PMS”

A one-way between-groups ANOVA test examined differences between the three age groups responses determining their attitudes towards PMS. The researcher proposed as a hypothesis that there would be a generational difference in attitudes towards PMS. After running the one-way analysis of variance, $f(2) = 0.406$, $p = .668$ was the outcome therefore, the proposed hypothesis was rejected.

5.5 Qualitative Data

Within the PMS Scale and question left the participants with the option to provide an opinion on why they feel PMS are carried out in organisations. Some responses included; to improve performance; to motivate employees; to increase productivity, which relate to how PMS is explained in the literature review. As mentioned Performance Management is an imprecise word open to variability in research some answers to this question suggest participants don’t fully understand PMS. The answers are; for HR; it’s a requirement; to give bonuses; to see who’s good or bad at their job.
6. Discussion

6.1 Study Objective

The objective of this study was to investigate the impact of PMS on employee’s job satisfaction and motivation in a selected organisation in the retail sector in Ireland. The three variables that were focused on were PMS, JS and Motivation using a Likert scale to measure each variable. A correlational test was used to get a greater understanding of the relationship. Four hypotheses were created by the researcher based on the literature review and the authors previous retail experience. The data was analysed using SPSS and a correlational test was ran to disclose the relationship.

6.2 Hypothesis 1 Discussion

“It is proposed that Performance Management systems will be positively associated with Job Satisfaction / and motivation” This hypothesis was supported with the correlation of the three variables. When discussing these results the researcher feels it is important to reiterate that the PMS was scaled in opposite direction to JS and Motivation. PMS is positively associated with JS at $r = -0.16$ the relationship is small ($r =-0.10$ to $0.29$). This suggests that when PMS are properly implemented it has a small positive impact on JS. Previous literature by Harper and Vilkinas (2005) stated that an effective PMS is likely to have highly motivated employees resulting in a higher level of JS. PMS is positively associated with Motivation at $r = -0.477$ the relationship is moderate ($r=0.30$ to $.49$). The strength of a relationship is the same whether it is negative or positive the direction is different. These results suggest that when PMS are correctly implemented, motivation of employees increases which supports the findings of Schmidt and Pohler (2018) and Dransfield (2000) suggest that when PMS are implemented properly you should see signed of satisfied and motivated staff and a decrease in turnover. These findings support Harper and Vilkinas (2005) who suggests that companies with an effective PMS are more likely to have highly motivated employees with a high level of JS.

Within the PMS scale one open question was asked as it was looking for opinions and feelings of participants. It asked: “Why do you think performance appraisal is conducted in a company?” Some responses included; improve employee performance, as a motivation tool and to increase organisational productivity. Van der Waldt (2004) discusses how PMS is a tool used to combine managers and
employees to achieve organisational goals. Other participants answer the above question, suggesting they don’t fully understand what a PMS is. The answers are; for HR; it’s a requirement; to give bonuses; to see who’s good or bad at their job. Folan et al., (2007) highlights that PMS is open to variability in research and is an imprecise term. This may be evident in these findings as there are some misunderstanding as to what a PMS is in place for. As previously mentioned, findings in this study are supportive of the previous research on the area of PMS and how they impact JS and Motivation.

6.3 Hypothesis 2 Discussion

“It is proposed that employees who work within the company for a lengthy period will be less open to new PMS being introduced” This hypothesis was rejected when disclosed a negative relationship between the two variables. A result between r =0.50 to 1.0 is significant. The negative correlation was significant as r = -0.078. As previously mentioned PMS was scored oppositely to the other scales. A negative figure here suggests that the length of time spent in the company doesn’t result in being less open to PMS being introduced. Therefore, this hypothesis has been rejected.

60.3% of participants stated that their performance review is conducted annually. This backs up Reitman (2017) who discusses how organisations continue to implement an annual objective setting and performance appraisal among employees. This has proven to have limited effected among improving performance. 43.8% of employees stated that their PMS in place is either ineffective or complicated. 47.9% of participants stated after their last performance review they were de-motivated or felt it was in effective. As the second hypothesis was rejected, these findings suggest that even those within the company for a long period are open to new PMS being introduced. This is presented above with the figures showing the dissatisfaction among employees as they feel the PMS is ineffective and are de-motivated by it. Tomić, et al (2016) believes that some organisations are not aware of the benefits PMS could have. After the findings it could be said that this organisation is unaware. Tomic et al (2016) believes that PMS is a process that should be driven by management daily, and not an annual task if it is to be successful.
6.4 Hypothesis 3 Discussion

“It is proposed that higher motivation results in higher Job Satisfaction”

The correlation between Motivation and JS is positive. The positive relationship r = .277 is on the small scale (r =.10 to .29). Previous research has suggested a direct link between JS and motivation. Maria (2012) considers satisfaction to be a direct cause of motivation. What drives a person is complex and can differ depending on the individual. Podmoroff (2015) mentioned that it is difficult to motivate employees and it is a struggle that management face. This positive correlation suggests improving one variable enhances the quality of the other. This is echoed by Harper and Vilkinas (2005) who states effective PMS are likely to result in highly motivated employees with high levels of job satisfaction. These findings also back up Zafar et al., (2014) argument that satisfied employees are likely to be high motivated and vice versa.

Maslow has created different motivation theories since 1943. These theories are well known, but they have critics. Maslow created a motivation pyramid with what he believes are five needs people seek to satisfy; physiological, security, a sense of belonging, self-esteem, and self-actualisation. To progress to the next level, the need must be met at the lower level first (Sharlyn, 2015). By adapting to previous motivational theories such as Maslow’s hierarchy of needs it correlates with Phelps et al., (2007) who believes that employees work better if management implements various mechanisms to motivate them. Participants were asked what motivates them to improve their performance in work 54.8% of employees selected financial bonuses/ career progression. This provides the organisation with an understand as to what its employees are motivated by.

Hypothesis 4 Discussion

“It is proposed that there will be generational differences in attitude towards PMS”

A one-way between-groups ANOVA test examined differences between the three age groups responses determining their attitudes towards PMS, f (2) = 0.406, p = .668 was the outcome therefore, there was no evidence to say generational differences in attitudes towards PMS were present within this study. Although, Akbavan Sarraf et al., (2017) discusses how it is important to understand generation differences and how they may present themselves within your research. This result
has proven that it is not present within our data although this was what the researcher had predicted. The researcher checked the variety of age of participants to see if there were different generations of participants within the study. The age of participants was dispersed and ranged from 19-64. Some studies have shown that generational differences in the workplace in a myth. Deal (2006) carried out over 7 years of research and said the most striking result is how similar generations are, and not how different. The results of this hypotheses back up the argument made my Deal (2006). Tipton (2012) discusses how different generations are working together due to the increase in life span and a large retirement age and the previous turn in the economy. This change may have affected the differences that may have existed before between generations.
7. Conclusion

The research aim of this study was to discover the impact PMS has on job satisfaction and motivation of employees who work in a selected organisation in the retail sector in Ireland. Within this research the author created sub-objectives known as hypotheses which were predicted outcomes based on the literature review and previous retail experience. They looked at how long someone worked within the organisation and how open they were to PMS. If job satisfaction is positively correlated with motivation and finally if generational differences resulted in attitude differences towards PMS.

The conclusion that was generated from this research is that there are defects apparent with the PMS that are currently in place in the selected organisation. Defects such as managers see it as time consuming; time wasting or when it is conducted it is rushed. This study has identified that PMS is positively correlated with JS on a small scale and motivation on a moderate scale. The positive correlation was predicted by the researcher but was unaware that they would be on different scales. The data showed that the length of time within a company is not a determining factor in how open someone is to PMS being introduced within the selected organisation. The data gathered show us that there is a positive correlation between JS and motivation as \( r = 0.277 \) this is just on the end of a small scale ( \( r = .10 \) to \( .29 \)). Finally, the last sub-category within this research was generational differences affect a persons attitude to PMS. The results showed that there was no significant difference between the three groups, thus meaning this hypothesis was rejected.

The findings of this study can provide information to organisations within the retail sector in Ireland to understanding the benefits of PMS by providing them with the data that shows the positive correlation to JS and motivation. Previous literature shows that these are struggles managers face in the retail sector and PMS if correctly implemented could assist in the resolving of this. As demonstration management has evolved from the Industrial revolution in the 1750’s and will continue to evolve in a forever changing economy. The expectations on managers to remain competitive has increased as globilisation and technology continues to change the trading economy, in hindsight of all of this its important to remember that employees are an organisations greatest asset.
8. Recommendations

8.1 Recommendations based on findings

The findings suggest that there is a positive correlation between PMS, JS and Motivation. It highlights how the PMS is structured and implemented within the organisation in the retail sector. A PMS is most effective when correctly implemented. 72.6% of participants stated that a PMS should be implemented on a regular basis although 60.3% said it is only conducted annually. These findings suggest that there is room for improvement in both the implementation of the system and how often it occurs. Being an employee in the retail sector for over four years on a PT and FT basis PMS is an important way of improving the quality of work for both you and the organisation. A further recommendation is to improve the human resource management, make sure that the organisation has an open-door policy for employees to voice concerns with management. The recommendation proposed is that the organisation designates a capable person to receive performance management training, how PMS should be implemented and to fully understand the benefits. This person would then share the knowledge gained with others within the company. Each store should have one capable manager fully trained and enthusiastic to implement the change.

Secondly, to increase motivation the organisation could set regular targets individually or team driven. Use different incentives such as financial, half days or team nights out to drive the targets. Thirdly, to have more team meetings/bonding exercises. This could act as a more informal way for staff and management to come together to raise issues, discuss new ideas and to motivate each other. Finally, to increase job satisfaction the organisation could have a suggestions board, where employees can suggest ways to improve mental health, healthy eating, regular experience, work-life balance and ultimately JS. This would demonstrate that the company cares about its employees.

8.2 Timeline for implementation

The first suggestion requires more time and planning, firstly selecting the right candidate to represent the organisation and someone who is interested in fulfilling this new position. It’s difficult to narrow down a timeline but the author has
suggested it be completed from start to finish in 3 months alongside the other suggestions being introduced into the company.

The other suggestions are “in-house” suggestions and could be implemented within a short time frame. These suggestions only require a suggestions box to be made, a health and exercise discount to be applied and a schedule to be put in place for targets and team meetings. For enhanced success the author suggests these should be implemented one after the other in an improve campaign over 12 weeks.

8.3 Cost associated

The recommendations made by the author were taken into consideration because of their lack of cost and their efficacy. They are simple, low cost ideas that don’t require much financial support. Sometimes the simple but effective ideas are over look. Not everything needs to be complicated and expensive to boost staff morale. Ideas suggested such as team meeting, bonding exercises, individual and team targets with rewards, encourage healthy eating and regular exercise. The organisation could offer 10% off a gym membership, supply fruit in the canteen, have a weekly 100euro voucher for team targets. These are all reasonable costs.

By selecting one capable person from the organisation this cuts the cost of training all managers and creates a new job of progression within the organisation. This is the only idea suggested that may have a more financial implication attached.

8.4 Personal Learning statement

The author of this dissertation found it very rewarding although a great challenge. The author had previously completed a research project however it was not to this significance or length. With the support of Michelle Kelly, classmates, friends and family it was achievable. The study was carried out on an Irish retail company which the author was employed by which made access to employees easier than anticipated thanks to understanding and helpful management. Starting full time work during the summer while continuing my research was a juggling task at times but with a rigid schedule and time management it was accomplished.

The author has experience working in Retail and that is why the topic was chosen. The author felt that performance management systems lacked within the organisation and wanted to see how employees would react to its implementation. A challenge that presented itself during the process was analysing data using SPSS. This was a
completely new software program that the author had to learn and found it a struggle at times. The skills gained through this process will help in difficult tasks in the future. The author strongly believes that it was difficult but worth it, and anything worth doing is difficult.
9. Appendices
9.1 Participant Consent Information

Dear participant,

I am currently studying for my master’s degree in Human Resource Management in the National College of Ireland. This survey is based around three simple variables, Performance Management Systems (PMS), Job Satisfaction and Employee Motivation. The dissertation is based around employees working in the retail sector in Ireland.

PMS is as an approach that management adapts to combine managers and employees to work in harmony towards the achievement of the organisations strategic goals. Job satisfaction relates to the level of satisfaction you have in your place of employment and what impact it has on your performance. Employee Motivation is the level of energy, commitment, and creativity that a company's workers bring to their jobs.

This survey contains basic demographic questions and questions regarding the three variables mentioned above. It will take less than 10 minutes overall. As the author, I do not want the company name to be printed or written down on the survey as it will not be revealed within the dissertation. Confidentiality is vitally important to me and you as participants. Your name will not be required and no personal data will be collected. The findings of the dissertation will be published and can be provided to any participant on request.

Finally, I would like to thank you for your time, effort and co-operation by completing this survey. If you have any problems regarding the survey, please don’t hesitate to contact me.

By pressing next below you are consenting to participate in the survey.
Email: x16148894@student.ncirl.ie

Kind regards,
Jean Creegan
9.2 PMS Scale

1. Were you notified about the performance appraisal when you joined the company?
   a) Yes
   b) No

2. a) Do you think Performance Appraisal should be conducted in an organization?
   i. Yes regularly
   ii. Yes, once a year
   iii. No If yes, regularly
   b) Why do you think performance appraisal is conducted in a company?

3. How will you rate the Performance Appraisal method in your organization?
   a) Easy
   b) Complicated
   c) Efficient
   d) Inefficient

   How often Performance Appraisal is conducted in your department?
   a) Monthly
   b) Quarterly (every 3 months)
   c) Half-yearly (every 6 months)
   d) Yearly basis (once in a year)

5. Does Performance Appraisal motivates you or de-motivates you?
   a) Motivates
   b) Ineffective
   c) De-motivates

6. Do you have one on one session with your department head to discuss the performance appraisal?
According to you, was your last performance review

a) Inspiring
b) Constructive
c) Ineffective
d) De-motivating

8. According to you, do you think performance appraisal should be there in a company or not?

a) Strongly agree
b) Agree
c) Neither agree or disagree
d) Disagree
e) Strongly disagree

Does Performance Appraisal motivate you to perform well in the company?

a) Strongly agree
b) Agree
c) Neither agree nor disagree
d) Disagree
e) Strongly disagree

10. Do you think Performance Appraisal is an integral part of the company’s success?

a) Strongly agree
b) Agree
c) Neither agree or disagree
d) Disagree
e) Strongly disagree
11. Does your performance appraisal provide you a fair reflection of your performance?
   a) Strongly agree
   b) Agree
   c) Neither agree nor disagree
   d) Disagree
   e) Strongly disagree

12. Does your department head provide you with adequate training that enables you to do your job well?
   a) Strongly agree
   b) Agree
   c) Neither agree or disagree
   d) Disagree
   e) Strongly disagree

What do you think motivates you the most in improving your performance towards your job?
   a) Financial rewards (increase pay or bonuses)
   b) Career advances (job progression, challenging work)
   c) Intrinsic rewards (responsibility, recognition, personal satisfaction, feeling of well-being)
   d) Good relationship with department manager
   e) Good working conditions

14. Do you think you have been rewarded for your hard work?
   a) Yes, I completely agree
   b) Yes, I think so
   c) Not sure
   d) No, I don’t think so
e) No, I completely disagree

9.3 JS Scale

1. I feel I am being paid a fair amount for the work I do
2. There is really too little chance for promotion on my job
3. My supervisor is quiet competent in doing his/her job
4. I am not satisfied with the benefits I receive
5. When I do a good job, I receive the recognition for it that I should receive
6. Many of our rules and procedures make doing a good job difficult
7. I like the people I work with
8. I something feel my job is meaningless
9. Communications seem good with the organisation
10. Raises are too few and far between
11. Those who do well on the job stand a fair chance of being promoted
12. My supervisor is unfair on me
13. The benefits we receive are as good as most other organisations offer
14. I do not feel that the work I do is appreciated
15. My efforts to do a good job are seldom blocked by red tape
16. I find I have to work harder at my job because of the incompetence of people I work with
17. I like doing the things I do at work
18. The goals of this organisation are not clear to me
19. I feel unappreciated by the organisation when I think about what they pay me
20. People get ahead as fast here as they do in other places
21. My supervisor shows too little interest in the feelings of subordinates
22. The benefit package we have is equitable
23. There are few rewards for those who work here
24. I have too much to do at work
25. I enjoy my co-workers
26. I often feel that I do not know what is going on with the organisation
27. I feel a sense of pride in doing my job
28. I feel satisfied with my chances for salary increases
29. There are benefits we do not have which we should have
30. I like my supervisor
31. I have too much paperwork
32. I don’t feel my efforts are rewarded the way they should be
33. I am satisfied with my chances for promotion
34. There is too much bickering and fighting at work
35. My job is enjoyable
36. Work assignments are not fully explained

9.4 Motivation Scale

This scale was taken from a paper (Tremblay, et al., 2009)

1. Because this is the type of work I chose to do to attain a certain lifestyle
2. For the income it provides me
3. I ask myself this question, I don’t seem to be able to manage the important tasks related to this work
4. Because I derive much pleasure from learning new things
5. Because it has become a fundamental part of who I am
6. Because I want to succeed at this job, if not I would be very ashamed of myself
7. Because I chose this type of work to attain my career goals
8. For the satisfaction I experience from taking on interesting challenges
9. Because it allows me to earn money
10. Because it is part of the way in which I have chosen to live my life
11. Because I want to be very good at this work, otherwise I would be very disappointed
12. I don’t know why, we are provided with unrealistic working conditions.
13. Because it is the type of work I have chosen to attain certain important objectives
14. Because I want to be a “winner” in life
15. For the satisfaction I experience when I am successful at doing difficult tasks
16. Because this type of work provides me with security
17. I don’t know, too much is expected of us
18. Because this job is a part of my life
9.5 Qualitative Answers

Why do you think performance appraisal is conducted in a company?

1. In order to help people to increase their skills within the company
2. Feedback lets employees know where to improve
3. To advise staff on progress and how they could be doing better
4. To remove any issues or wrongdoings by staff
5. People learn best through positive reinforcement
6. To try and improve employee performance
7. Helps motivate staff members
8. To apprise good work and suggest areas of improvement
9. Its important
10. As they ensure the right hard working people are recognised
11. Feedback is the best way for an employee to improve
12. To motivate workers
13. To benefit work ethic
14. To let employees know they’re appreciated
15. To let the employee know the strengths and weaknesses
16. HR
17. To let the employee know what they’re doing right and what they need to improve on
18. To make sure people are doing their job properly
19. It is not conducted
20. To ensure productivity is at the highest it can be and also to address any issues that may be present.
21. To review the performance of employees, to find areas that need to be developed so that training is used effectively and for management to gain a greater understanding of the areas that staff find challenging
22. To monitor performance
23. To ensure productivity is at the highest it can be and also to address any issues that may be present.
24. To monitor performance
25. To ensure that employees are performing up to standard and meeting objectives of the employer
26. Improve productivity and organisations harmony to reach goals
27. To help you improve and challenge you in your position
28. To keep staff motivated.
29. It's a requirement
30. Feedback
31. To improve performance
32. In order to reward those that excel and to highlight where there are deficiencies with a service, process or procedure
33. To reward those who work hard. Also you highlights areas that need improvements
34. To see employees progress and to advise management on how it may be maximized
35. It is necessary in order to chart progress and help with goals and aspirations
36. Motivation?
37. To provide a formal mechanism to raise underperformance issues and put measure in place to address them
38. So the management can assess all staff track their progress and how they perform and how they have/can improve. Also helps decide if a employee is eligible for a promotion.
39. Improve performance
40. To improve productivity
41. For bonus
42. To speak broadly and frankly between both parties to improve quality of daily working life and long term goals.
43. To help employees to achieve their best
44. Chance for one to one discussion
45. To help employees and employers be better and grow
46. Because it’s good to let staff know what areas they are good in and what ones they could improve in
47. To motivate worker’s
48. To improve staff productivity
49. For employee reward and recognition
50. So you can get an understanding of how well you are performing and be set objectives to achieve
51. Find out who is better or shit
52. Improve employees in areas lacking
53. Increase engagement
54. To see where a person can improve for themselves and their organization
55. Manage expectations versus performance. Also personal development b of staff
56. It gives you and opportunity to work on your development
57. To motivate employees and ensure appropriate training
58. To help growth in the work place
59. Capability
60. To improve
61. To point out what was good and what can be improved.
62. Improve productivity
63. Help improve employees performance
64. To encourage goals
65. HR
66. To keep positivity amongst the staff
67. HR
68. Increase morale
69. To help build skills and confidence
70. Personal development and job satisfaction
71. To monitor performance and set goals
72. Improve employees performance
73. Improves services
10.Bibliography


Tipton, S., 2012. Age Ain’t Nothing but a Number: debunking generational myths.


