An Exploration of Motivation and Psychological Contract Issues amongst Employees and Managers within the Retail Sector In Ireland.

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ABSTRACT

The purpose of this dissertation is to explore motivation and psychological contract issues in the retail sector in Ireland. This research is an in-depth case study into the Jervis Street branch of the company, Mothercare Ireland. The data for this study was collected through a series of interviews and the distribution of questionnaires to the employees in the store. The research found that a significant amount of the stores employees consider themselves as having a low - medium level of satisfaction and motivation in their jobs. The majority of these employees admitted they believe that incentive schemes motivate them and influence their performance positively in work. It has been recommended that the organisation adopt plan to help them increase their employees level of motivation and job satisfaction while ensuring they do their best to ensure the company does not breach the psychological contract of their employees. Suggestions for doing so have also been included.

DECLARATION

I herby declare that the following work has been composed by myself. All information other than my own contribution will be fully referenced and listed in the relevant references chapter at the end of the study. All the research conducted was done so in conjunction with the requirements of the MSC in Management for the National College of Ireland and was conducted in an ethical manner.

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CHAPTER 1: INTRODUCTION

1.1 The Irish Economy

The purpose of this dissertation is to investigate the importance of motivation and psychological contract issues in the retail sector within Ireland. In 2008 it was announced that the Irish economy was in a recession (Spain 2008). Since then the economy has continued to downturn. The retail sector, amongst many others, has suffered from the difficulties that a recession causes. Figures released in 2011 have shown that the retail industry in Ireland is still in decline (The Independent Newspaper). Unfortunately many companies within the retail industry have been forced into closure, gone into administration or even forced to downsize. For those who've been lucky enough to avoid closures, they have had the challenge of trying to implement things such as pay freezes, pay cuts, hours being cut, layoffs, voluntary redundancies or even downsizing in order for them to keep costs as low as possible. Woodward et al (1997) mentioned that with challenges such as these, continued attention should be given to the effective and efficient use of the retailer's most valuable asset; their personnel. In order for an organisation to achieve this and remain competitive within their industry, proper training and motivation of retail management personnel is necessary (Woodward et al 1997 pg 305).

A practical example of a retail company which has suffered due to the economic recession includes Adams Childrenswear. This company went into administration in late 2008, got back on track in 2009 but sadly in 2010 they went back into administration and where ultimately forced to close their stores (Wood 2010). Before the recession hit Ireland Adams Childrenswear was in a strong position with many

stores nationwide in Ireland and England but due to financial difficulties all their stores eventually closed. Organisations all over Ireland were forced to result to such measures as mentioned above in order for them to keep their costs as low as possible during this time of economic uncertainly. Mothercare Ireland introduced a pay freeze across all their staff in 2008, this meant that the annual rise in wages that their employees had previously received based on their loyalty and hard work for the company had to be stopped in order for the company to keep their wages bill as low as possible, this was to allow the company to use this money elsewhere (for example paying rents for their premises).

1.2 Company Profile

As part of this dissertation the company 'Mothercare' will be used in order to investigate motivation and psychological contract issues in the retail industry. The focus will be on their operations in one of their stores in Dublin, Ireland.

Mothercare is a specialist retailer attending to the needs of expectant mothers and their families. It sells a wide range of products which include clothing, pushchairs, nursery furniture, bath time & feeding equipment and also toys. The company opened their first store in 1961 in Surry, England. Over the years they have expanded their operations internationally through franchise agreements (Mothercare Ireland) and mergers and became Mothercare PLC in 2000. In early 2007 the company expanded further through its takeover of the educational toy company 'The Early Learning Centre' (ELC). The takeover of the ELC Company gave a major boost to the company's turnover (Crosland 2008). The main goal of this company, as set out by the companies founder Selim Zikha, is to provide everything for a mother and her

baby under one roof. The takeover of the Early Learning Centre can be seen as a key strategic decision undertaken by the company and positive step forward to becoming the worlds leading specialist retailer for mothers and their families. In the same year as the Early Learning Centre takeover (2007) Mothercare also took advantage of a major business opportunity and launched their own social networking site called 'Gurgle'. On this site parents can have a chat, receive advice and trade stories with other parents whilst Mothercare can provide their specialist advice and information on where necessary. This site provides the company with a direct link to their target audience, useful for providing information on upcoming sales, special offers or obtaining feedback.

The company operates internationally through the two major retail brands: Mothercare and the Early Learning Centre (Datamonitor.com)

1.3 Case for Motivation & the Psychological Contract

Motivation is an inner desire to satisfy an unsatisfied need (Lussier 2009, p.386). Each individual employee that works within the retail sector can be motivated in very different ways, for this reason it is important to understand the lifestyle, goals and the individual needs of all the people in the organisation before trying to encourage these individuals to be more productive. DeJoseph (2003) believes were you are in Maslow's Hierarchy of needs (i.e what needs need to be met to motivate an individual) can be reflective of the time period your in. At the moment the environment is in a down turn and such an aspect can have implications on what exactly will keep employees motivated during this time.

The incentive theory of motivation suggests that having a reward associated to the end result of an action will encourage individuals to put their best into achieving the action they have been given. These rewards can be tangible or intangible depending on the specific desires of a person. The factors that motivate individuals can be intrinsic or extrinsic. Intrinsic motivation comes from inside an individual they are driven by the pleasure of the task and its end result, Benabou and Tirole (2003) state that it is the individuals desire to perform a task for its own sake. Extrinsic motivation on the other hand comes from factors outside the individual it would include such things as higher pay and bonuses, Benabou and Tirole (2003) believe that it is based on contingent rewards. An understanding of each of these factors and how they apply to each employee within an organisation inside the retail sector could be beneficial to the management of any organisation when deciding how best to keep their employees motivated.

Cappelli (2009) argues that the challenge of holding onto a good workforce and keeping employees motivated does not go away during a recession. While the risk of people quitting their jobs declines as there are less jobs in the economy, there is a considerable chance that employees could end up demoralized, stop producing and then 'jump ship' once the economy improves. Blanchard and Witt (2009) agree with Cappelli here, they said that 'during an economic downturn employees require more attention, not less' (Blanchard & Witt 2009, p.14). They believe that in an unstable environment when an organisation is under immense pressure to perform the organisations employees should been seen as their most valuable asset.

Another aspect which can de-motivate staff is the breach of the concept of 'Psychological Contract'. According to Makin et al (1997) the psychological contract at work is a set of unwritten expectations operating among members (Makin et al 1997 pg 13). It is an employee's attitude about the common obligations that exist between them and their organisation (Tallman & Bruning 2008). A breach of the psychological contract can occur if an employee thinks that their firm has failed to deliver on what they have promised and visa versa. If someone believes that there has been a breach in the contract they are more than likely to respond negatively. If this happens this could reduce the level of commitment and loyalty the person has to the organisation, it may also de-motivate the individual and could possibly reduce the morale within the organisation if there are many people affected by the breach.

One size doesn't fit all when it comes to a topic like motivation, for this reason a lot of time, effort and manpower must go into the process. In today's unstable environment however how important is this for an organisation, especially for an industry such as retail. 'Keeping staff motivated in this climate is a bit like aiming at a moving target' (Flack 2009 pg 25) as suggested by Flack trying to motivate employees in a recessionary period is easier said than done. Many organisations may not have the time or capital to spend trying to keep employees happy. In times like these should they ignore this process and simply focus on trying to survive in the economic down turn?

1.4 Research Questions & Aims

The purpose of this thesis is to explore the nature of motivation within the retail sector. Given the state of the current economic climate what factors contribute to

motivating these individuals in their workplace? This thesis will also seek to find out the importance of the psychological contract amongst these employees and employers. The psychological contract could have a strong link with the motivation of an employee. If the contract between employee and employer is broken it could have a de motivating effect on the employees of the organisation. If this is proved to be true there is a linking factor between motivation and the psychological contract within this industry.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Motivation is typically viewed as a set of processes that activate, direct and sustain human behaviour dedicated to goal accomplishment (Tiernan, Morely & Foley 2006, p.278). According to Kaiser and Kaplan (2006) it is the willingness of an employee to achieve the objectives of the organisation or to go above and beyond the call of duty. Nixon (2009) believes 'dedicated and focused employees are the heart and soul of an organisation' (Nixon 2009, p.14). The study of motivation at work is based on analysing employee behaviour; it looks at why individuals conduct themselves in a particular way and why they have chosen to act in this manner. In simple terms a person is motivated when he or she wants to do something. 'Motivated employees are a key ingredient to a company's success' (Arbutina 2011, p.16). In general a motivated employee will try harder to do a good job than an unmotivated employee (McFarlin 2006), Sullivan (2006) agrees here as he believes that a 'motivated worker is a more productive worker' (Sullivan 2006, p.50).

Raja et al (2004) believe that the psychological contract is considered to be the key factor which influences an employee's attitude. In turn an employee's attitude will have an effect on their level of motivation and commitment within the organisation. 'When managers try to improve the work attitude of staff they should consider their employees achievement motivation and the extent of their fulfilment of the duties of their psychological contracts' (Lee & Lui 2009, p. 322).

According to Buhler (1988) perhaps one of the greatest challenges that face a manager is how to motivate their employees. In order to improve the work of an organisation, managers and supervisors must give attention to the motivational level of its members (Mullins 1985, p.5). Building challenges and opportunities for achievement in ones job is one example of a successful way in which to motivate employees in their jobs (Bolino & Turnley 2003).

2.2 Motivational Theoretical Background

The two main theorists surrounding the concept of motivation are Abraham Maslow and Fredrick Hertzberg. These two individuals among many others provide us with theories which help us to better understand the concept of motivation and how it applies in organisations today.

Maslow's Hierarchy of Needs

Abraham Maslow is considered to be the first person to develop a theory on the notion of motivation. His theory is the fundamental content theory of motivation. Maslow's theory is based on four different assumptions, the first is that a persons needs are arranged in order of importance from basic needs to complex ones, the next assumption is that only a persons unmet needs will motivate them, next is that people will not be motivated to satisfy one of their higher level needs unless their lower level ones are satisfied and the final assumption here is that people have five levels of needs which he displays in hierarchical order (Lussier 2009, p.389). Maslow (1943) uses a pyramid to display our 'hierarchy of needs' (Appendix 8.1), each of the five levels are displayed individually and each building block supports the next (DeJoseph 2003, p.17). Maslow's hierarchy suggests that a person is motivated not by external

motives such as rewards or punishment but by an inner programme of needs (Adair 1996, p.30). The hierarchy is organised into five levels. These are physiological needs such as food, water and shelter, safety needs such as stability and knowing ones survival is not in jeopardy, social needs such as being part of a social environment, esteem needs such feeling significant and gaining respect from others and finally self actualisation needs such as feeling fulfilled or all you can be (Zemke 1998, p.56). One can not progress on to the next level until the previous levels needs have been satisfied (Schermerhorn 2004). Maslow believed that just satisfying a persons psychological and safety needs was not enough (Darlington 2005). Once an individual's basic need are met there is always others to take their place. 'As one desire becomes satisfied another takes its place, and as this desire becomes satisfied still another replaces it, this sequence of emerging needs formed the basis of Maslow's Hierarchy of Needs' (Wilkinson, Orth & Benfari 1986, p.27).

This theory can be related to the workplace in organisations. By looking at each of their employees individually organisations can work out what motivates each of these employees based on their position in Maslow's Hierarchy. For example an employee at the base of the hierarchy whose needs are physiological can be motivated by reasonable work hours or refreshment breaks. If the member of staff is motivated by their safety needs an employer could ensure the employee is aware their job is safe and secure. If the member of staff has satisfied all their basic needs and is positioned in the top of Maslow's hierarchy which means they are motivated by their self actualisation needs, employers should ensure their work is creative and challenging in order to keep these workers satisfied.

However there are some criticisms associated with Maslow's theory, firstly the hierarchy is based on the assumption that there will be natural progression through each of the levels (Fredrick 2001). In reality do people really progress uniformly through all of the levels in the hierarchy? Are the five levels set out in the hierarchy the only needs that an individual seeks to satisfy? For example some people may feel the need for power, a need which Maslow's theory doesn't consider. Criticisms of this theory could lead organisations to investigate other theories of motivation.

Herzberg's Motivation-Hygiene Theory

Herzberg's Motivation-Hygiene Theory is also known as Fredrick's two factor theory. Herzberg (2003) explains that the factors that are involved in producing job satisfaction (motivation) are separate from those that create job dissatisfaction. The two factor theory is called so as there are two different categories of motivational factors known as hygiene and motivational (satisfier). Motivators are factors which directly relate to doing a job; these factors provide job satisfaction and include achievement, recognition, responsibility and promotional opportunities (Sachau 2007). These factors are intrinsic to the job which means the motivation comes from inside the individual (Benabou and Tirole 2003). They provide long lasting satisfaction for the employee and have no costs to the organisation. Motivational factors are needed to motivate employees to achieve a higher performance for the organisation. Hygiene factors on the other hand are associated with conditions surrounding the job; these include pay, job security, quality of supervision and physical working conditions. These factors are extrinsic to the job, which means they come from outside the individual (Benabou and Tirole 2003). These are needed to ensure dissatisfaction does not occur; as if these factors are not present employees

become dissatisfied. Hygiene factors however can be quite costly to an organisation (Cummings 1975, p.35).

'Herzberg's two factor model argued that motivational factors do not function in isolation from hygiene factors, and that these hygiene factors could be considered as the road down which motivation drives' (Fredrick 2001, p.35) in an ideal world both of these components should be managed and maintained at regular intervals. They must be viewed in conjunction with each other.

McGregor's Theory X and Theory Y

Douglas McGregor introduced his theory in 1960 in his book 'The Human Side of Enterprise'. His theory shows us the characteristics of two different styles of manager. A theory X manager believes that workers are lazy and spend most of their time avoiding work (Beverly 1987). This type of manager believes the average human has a dislike of work (Wilkinson et al 1986) and that they need direction (Carson 2005). For these reasons Beverly (1987) believes that Theory X managers tend to be 'crack-the-whip' types, Brillinger (2001) says that these managers see their employees as 'cogs in a machine', whereas theory Y managers see their employees as individuals who have individual goals and commitments. Theory Y managers believe that employees don't dislike work and they seek responsibility (Carson 2005), these managers assume that employees are not lazy and that they are capable of providing suggestions that will improve the organisations effectiveness (Kopelman et al 2008, p.255).

McGregor based his theory on Maslow's hierarchy of needs; he argues that once a need has been satisfied it no longer motivates a person. Motivation is unlikely with a theory X manager, as they believe employees avoid work and dislike responsibility therefore they would find it a waste of time to even try to motivate these individuals. The problem here lie's with the type of manager as some of their employees may seek responsibility and praise which is something a theory X manager could never achieve.

Therefore it seems obvious that an organisation would prefer to have a theory Y type of manager who believes employees like work and just need to be motivated in the right direction by their manager. This would be necessary especially in times of an economic down turn when employees may lose sight of the bigger picture, as they may believe that survival alone at this time is crucial.

2.3 Motivation V Recession

Why should we care if employees are happy? We're in a recession, shouldn't they be thankful to have jobs' (Fairlie 2009, p.22). According to Fairlie (2009) this is the attitude that most employers tend to have towards their employees during tough financial times. However he perceives this attitude as being incorrect, as the impact that this way of thinking could have amongst employees would only evoke fear and panic. A rise in uncertainty is evident amongst employees in times like this however Fairlie tells us that managers need to control this fear and uncertainty, he states 'once employees start looking for jobs to replace the ones they expect to lose, they discover opportunities that where previously unknown to them' (Fairlie 2009, p.22). If these employees get so scared of loosing their jobs they may opt to find a new one, resulting in the organisations losing highly valued employees with irreplaceable skills.

Of course this will only be applicable if there are in fact more jobs available to them, which in a recession may not always be the case. Fairlie (2009) also describes that 'depressed employees are unproductive'. He believes that employees become unhappy or even depressed by the thought of the lack of job security, if this was to happen employees may become unproductive as they have a lack of concentration for the task at hand.

In order to avoid this, employers need to understand the importance of communication. If jobs are secure they need to connect with their employees and ensure them their position in the organisation is secured. If however an organisation is unsure of the security of their employees jobs they need to communicate a plan that they think will best help them secure as many jobs as possible in order to regain employee confidence (Fairlie 2009). Flack (2009) agrees with this, she says that 'they also have to maintain an open and honest relationship with their staff, keeping them up to date with the business situation' (Flack 2009, p.25).

Frustration runs high when things are not going well within the organisation, once this happens an employee's confidence is shaken which potentially lowers the performance and motivation of the employees (Emmerich 2001). Cappelli (2009) argues that when people don't know what's happening they tend to make up their own conclusions, which most of the time tend to be worse than the reality of the situation. For this reason he believes that 'it's important to tell people what is going on as best as we know. What happened to put us in this situation and most important, what is our plan for getting out of it' (Cappelli 2009). He also goes on to consider the fact that 'the worst situation for employees is when they believe that their survival was a

matter of luck'. If an employee thinks that their survival was a matter of luck the employee will become panicked that they may not be so lucky the next time there's cutbacks and begin looking for a new job. In order to avoid this situation as much as possible employers should communicate with the employees when their job is secure, and when they do avoid cutbacks explain to them why they continue to be a necessary component for business survival (Cappelli 2009). A business needs to be very careful with the way in which they conduct their cut backs with employees or whether or not they choose to do so. 'Layoffs make the situation worse by creating another set of worries for employees' (Cappelli 2009).

Alexander (2009) sets out a guide for employers which explains tips on what not to do during a recession. These tips will help employers keep their staff motivated during problematic times and help toward increasing staff retention levels. The first point on the list of what not to do is not to treat staff as if they are lucky to have a job (which Fairlie has mentioned previously) if this happens staff will feel underappreciated and their loyalty to their employer will quickly diminish. 'Failing to show recognition' is another thing in which employers very easily do but in the long run will cause problems for them. Thanking employees for a job well done could go along way in boosting their self esteem. Employers should not however base recognition on who has worked the most amounts of hours but instead they should look at the results the employees generate. As one individual could work a five hour shift and still get the same amount of work done as a person who has worked a ten hour shift (Alexander 2009). Organisations need to ensure that the leader of their employees fully understands the consequences involved in the above. 'It's essential for managers to understand the concept of Motivation. An understanding of motivation may contribute

to a more co-operative working environment and increase in employee productivity' (Frederick 2001, p.34).

Another important point in which employers need to understand which some may consider to be one of the most important concepts is not to use fear as a weapon against their employees for getting things done. Fear as a motivator during a time like a recession can be very dangerous. 'The more fearful people are, the less likely they are to commit' (Murray 1991, p.23). If employers try to scare their employees into working they may de-motivate them and lose them as these individuals get so afraid of losing their job that they look for new one.

According to Sullivan (2009) it's important to keep employees happy during a recession as it will have positive effects on the whole organisation. He makes his point in relation to the restaurant industry. 'Guests really recognise the importance of friendly employees and familiar faces, so we know it pays off and the employees say and feel it. Treat them right and they treat the guest's right. We know it works because we continue to get a constant flow of applications due to employee referrals' (Sullivan 2009, p.12). Treating employees well and keeping them happy has a major impact on customers. Customer loyalty is based on their experience with the employees of the company. A well trained, happy, motivated employee will encourage repeat customers.

2.4 Incentive Schemes and how to Motivate Employees

In times of a recession when finances are tight organisations need to come up with more creative ways of looking after their employees (Williams 2009). Incentive

Schemes remain very important to employers for motivating their employees during a recession. However these types of incentives can be split into two; monetary and non monetary incentives. Different individuals are motivated by one or both of these factors.

According to Carpenito-Moyet (2003) we must consider a persons position in Maslow's Hierarchy of needs before issuing incentives amongst staff in an organisation as people can be motivated by different factors (intrinsic/ extrinsic). She explains this in nursing terms, she states that for a nurse who is at level one or two in Maslow's hierarchy money will be an affective motivator. But for nurses who have satisfied their physiological needs many of these may not find money to be a motivator any longer, these individuals' motivators will be different: such as time with their families may be a leading motivator (Carpenito-Moyet 2003, p.4). As she suggests people will respond to different incentive schemes depending on their position in Maslow's hierarchy therefore it is extremely important that organisations and their managers clearly define the needs of their subordinates before issuing incentives

'One of the keys to accommodating employee satisfaction is considering employee preferences and balancing them with business needs' (Barker 2009, p.28) which basically means in order for a business to ensure their employees are happy they need to figure out what the employee needs and balance this with the needs of the business. 'Companies need to be creative in finding cost effective ways to recognise and motivate employees' (Nixon 2009, p.14). Nixon (2009) suggests some ways of doing this would be to make sure any remaining employees in the organisation are ensured

of their value by rewarding them with such things as gift cards and group meals. The idea of discount cards is also relevant here as Paterson (2011) explains that many organisations provide their employees with their products at a discount and many of these employees are found within the retail sector. Paterson (2011) believes that these can be offered as core benefits or through incentives schemes to boost the motivation of the employees.

Johnson (2008) argues that there are many forms of flexible work options available to motivate employees in the work place; she concentrates on the non monetary motivators that are available to employees. These will have no cost to the company but the rewards will be priceless. It could be considered to be wise for managers to implement these types of options for employees especially during recessionary times as they have no costs involved for the organisation and could evidently over time keep the variety of their staff happier. 'A mom who wants to see her child off to school can choose a start time that's later than the standard 8.30 am' (Johnson 2008, p.50) this is just one option in which she explains as an *altered workday* for the mother seeing her child of to school may make her happier coming to work whilst also having some cost savings on childcare. This means the mother comes to work happier having seen her children off to school and is ready to start her day, she makes up by staying later in the afternoon. Another option in which Johnson (2008) explains is *Telecommunicating*. This is where an organisation allows some of its employees to work from home. This saves the company on office costs and the employee on travel costs. Working from home gives employees the freedom to work at their own pace; also it could encourage people in different states or towns to work in the organisation as there is no need to travel to work. A *compressed work week* is another option that

Johnson (2008) explains in this article as a way of keeping staff happy. This gives the employee the option to work four days a week with longer hours rather than five days a week with shorter hours. If the employee was to take advantage of this they would have an extra day of leisure to focus on their personal needs. This article is an excellent example of how employers could manage to keep employees motivated and happy during a recession as there are no costs involved. However they will still need to do more as in times of economic uncertainty the main concern for most employees is of a monetary basis

Another article which supports the above is 'Post Recession Incentives: Kudos for Cash' by Testa (2010). Testa (2010) describes that from her own research 'we can provide intangible rewards in lieu of financial incentives that may actually prove to be more motivational than money' (Testa 2010, p.8) this is relevant during a recession as companies tend to be reluctant to increase any fixed costs, for example an increase in salaries to motivate employees. For this reason any non financial motivators that employers could undertake to keep their employees happy would be mainly suggested during tough financial times such as a recession. It is clear that this strengthens what Tory Johnson outlined in her article mentioned previously.

There are many other ways in which a manager can motivate their staff other than those mentioned above. Primarily the manager must be motivated and driven themselves. 'The first and golden rule of motivation is that you will never inspire others unless you are inspired yourself. Only a motivated leader motivates others' (Adair 1990, p.94). This may seem to be a vey simple concept, but the qualities of a good leader are always reflected in the people they lead. Therefore a highly motivated

manager will for the most part influence their employees to be as highly motivated as they are. Managers could also provide their employees with recognition on a job well done; this will boost the confidence of the employee which will have a positive influence on their next task helping them to achieve higher results (Adair 1990).

The final thing a manager can do to motivate and create a committed employee is the concept of autonomy, which is the capacity to do a job without the need for manager's supervision or unnecessary interfering from managers (Blanchard & Witt 2009). An employee is contented when they are given the authority and freedom to make decisions based on how they do their job. Obviously this will only work on qualified, driven employees who these managers can trust to be left alone to do their work and make important decisions. For this reason autonomy is only a process that can be used after a period of time when employees have proven themselves.

2.5 The Psychological Contract

Defining the Psychological Contract

The literature surrounding the psychological contract has grown over the years under the main influence of Rousseau and Guest. Despite this fact there are many different definitions around what individuals perceive the psychological contract to be. Rousseau and Tijoriwala (1998) define the psychological contract as an employee's individual 'belief in mutual obligations between that person and another party such as an employer' (Rousseau & Tijoriwala 1998, p.679). Guest (1998) believes the psychological contract is all about perceptions, expectations, beliefs, promises and obligations (Guest 1998, p.651).

According to Armstrong (2009) the psychological contract is a set of unwritten expectations that exist between individual employees and their employers (Armstrong 2009, p.277). Makin et al (1997) believe it's a set of unwritten expectations operating among its members (Makin, Cooper & Cox 1997, p.13). It deals with the 'pattern of unwritten and implied beliefs held by the employee and organisation about what each should offer, and what each is obligated to provide' (O'Donohue Sheehan, Hecker & Holland 2007, p.73). Thompson and Bunderson (2003) believe the psychological contract is 'an employee's perception of the unwritten promises and obligations implicit in his or her relationship with the employing organisation' (Thompson & Bunderson 2003, p.571). The general consensus here is that the psychological contract deals with implicit reciprocal promises and obligations (Cullinane & Dundon 2006. p.115). In basic terms the psychological contract is an unwritten promise between employee and employer.

Can the Psychological Contract be considered Contractual?

Boxall and Purcell (2003) suggest that if the psychological contract is made up only in the mind of the individual employee and is entirely subjective, then it cannot be considered to be contractual. According to Velasquez (2006) one of the rules surrounding contracts includes the belief that both parties to a contract must have full knowledge of the nature of the agreement. Knapp (1980) explains that there's a difference between the psychological and legal contracts. He says that for a legal contract 'a written document is usually prepared and thus both parties are fully aware of all contract stipulations' (Knapp 1980, p.76). If the psychological contract is formed within the head of an individual employee and the organisations management have no knowledge of this, how could it possibly be considered to be contractual? In

legal terms the agreement cannot be changed without some consent between both contractual parties, however both parties rarely meet on equal grounds for this to happen (Cullinane & Dundon 2006, p.119). According to Cullinane and Dundon (2006) this gives rise to an imbalance of power between management and employee. As employers face pressures to reduce the costs of production, most significantly labour, the power of the decisions that the employers make may have negative impacts on the employees making employees unlikely to trust management and perceived breaches within the psychological contract may be evident (Cullinane & Dundon 2006, p.121).

Despite the fact that the psychological contract can be considered to be highly subjective and often lack clarity and formality, these contracts still manage to 'exert a strong influence on behaviour precisely because they are based on the beliefs of parties and in particular the views of employees concerning the nature of the employment relationship they are working under' (Middlemiss 2011, p.33)

Formation of the Psychological Contract

The management of psychological contracts is a core task for firms that attempt to develop 'people building' rather than 'people using' (Guest & Conway 2002, p.22). The psychological contract is formed at the beginning if the employee/employer relationship, at the recruitment process. Here both the employee and employer discuss what each of them can offer in the prospective relationship. If these are agreed upon a contract of employment is drawn up underlying the employee's duties in their new job. Some of the earlier terms which were discussed in the interview can be remembered by each of the individuals as promises, even if they are not mentioned

within the contract of employment. During the interview what's known as an implicit psychological contract is formed, in this the expectations of both employee and employer are formed (Knapp 1980). Knapp (1980) illustrates this in terms of the employee whom is expecting to be paid the previously agreed upon salary and given a safe place to work, whereas the employer expects the new employee to carry out his/her assigned duties. This can get confusing however as Lester et al (2002) explain, their can be differences in what the supervisor and subordinate perceptions are of psychological contract. Each of these individuals has different information regarding the promises that they believe have been made to the employee. As each of the different organisational representatives (e.g. HR manager, Recruiter for the organisation) make different promises to the employee, it becomes difficult for the employees direct supervisor to have knowledge of all of these promises and therefore can only keep some of the promises upon which employees psychological contracts are based (Lester et al 2002, p.41). Lester et al (2002) provide a practical example to explain this. The scenario here is that an employee has been promised a promotion by a former supervisor of the company whom no longer is employed there. If this employee does not receive the promotion, the employee may perceive his/her psychological contact has been breached even though the new current supervisor has no knowledge of this. This employee now feels betrayed by the organisation and frustrated.

According to Thompson and Bunderson (2003) there are two different forms of psychological contracts. These include transactional contracts and relational contracts. Transactional contracts involve an organisation providing such things as safe working conditions and job security in return for the employee fulfilling their specified

responsibilities. These contracts consist of carefully defined obligations, therefore a breach of such contract is considered to be black and white, meaning the organisation clearly did or did not fulfil its obligations (Thompson & Bunderson 2003, p.576). On the other hand relational contracts involve the organisation providing training and development services to their employees in return for employees fulfilling their role obligations. However these types of contracts have a grey area, they consist of a more negotiable set of obligations and therefore a breach of such a contract is sensitive to subjective judgements. Within these two types of contracts exist ideology-infused contracts; these involve employees believing that the organisation has an obligation to have involvement in a valued social cause. Here an employee believes their work is contributing to a worthwhile cause (Thompson & Bunderson 2003, p.577). A breach of such contract may reduce an employee's perceived task significance and therefore de-motivate the individual's motivation in the workplace (Hackman & Oldham 1976).

Perceived Breach of the Psychological Contract

Tyagi and Agrawal (2010) believe that it is 'important for managers and supervisors in organisations to have a proper appreciation of the nature and dynamics of the psychological contract and its implications on employee behaviour and attitudes' (Tyagi & Agrawal 2010, p.381). Should such psychological promises be breached or forgotten employees can be left feeling de-motivated to work. According to Morrison and Robinson (1997) a breach occurs when an employee believes that the organisation has failed to meet some perceived obligation. If employees perceive a breach of trust by their employee their motivation and level of commitment towards their organisation can decrease significantly (Tekleab et al 2005). Cullinane and Dundon (2006) believe that employee dissatisfaction and worker alienation arise from

violations/breaches in the psychological contract. Ellis (2007) says that empty promises leave individuals feeling frustrated, afraid and dissatisfied (Ellis 2007, p.335). This could have a negative effect on employees in quite a substantial way; they may become unhappy, lose trust and loyalty in their organisation and become de-motivated and thus less productive. However each employee will be inclined to have a different perception of their psychological contract and will respond differently to violations in their contract (Cullinane & Dundon 2006). When individuals within the organisation believe these promises have been made to them, they rely on those promises and place their trust in others to keep their word (Ellis 2007 p.336). The retail industry could not afford to let this happen to their employees as customer service levels could decrease significantly.

It is important for the management of an organisation to view the psychological contract as 'a dynamic shifting set of expectations which may change over a period of weeks rather than months' (Thomas & Anderson 1998, p.764). Thomas and Anderson (1998) believe that if management view the psychological contract in this way its less likely that a breach may occur. Rousseau (1995) and Sparrow (1996) both agree that frequent renegotiation of the expectations and dimensions of the psychological contract would make the contract explicit and allow it to be altered without any breach or violation occurring.

Benefits of the Psychological Contract

The psychological contract is 'dynamic and evolving' (Kraatz et al 1994, p.149). Clutterbuck (2005) believes that taking a more proactive approach to managing the psychological contract will become an essential element in training and motivating

talent. The better the psychological contract is understood by organisations the faster and more effectively it can be addressed (Clutterbuck 2005, pp.363-364). According to Rousseau (2004) 'understanding and effectively managing these psychological contracts can help organisations thrive (Rousseau 2005, p.120).

If the organisations in the retail sector understood the importance of the psychological contract for them and their employees, it would help towards keeping their employees motivated and ensure high levels of trust and loyalty amongst retail staff.

CHAPTER 3: METHODOLOGY

3.1 Research Questions

The research questions of this study will focus on exploring the nature of motivation and the psychological contract within the retail sector. These research questions are as follows:

- What are the sources of motivation amongst retail sector employees within the current economic environment?

- How receptive are the employees of the company to incentives?

- What is the nature of the psychological contract within the organisation?

3.2 Introduction

The retail sector was chosen as a target for this research because it is one of the many that is most effected by the downturn of the economy. As mentioned in Chapter 1 'Adams Childrenswear' was used as an example of one organisation within the industry who suffered at the beginning of the recession in Ireland. The closure of these stores left over 200 employees out of work, a trend for the next few years within this industry. This dissertation is a case study, using the Jervis Street Branch of the Mothercare Ireland Company. This section will describe the methods of research that are used in order to research the topic and collect the relevant data required to address the research questions of this study.

3.3 Inductive V Deductive Research

In order to conduct the research relevant for this dissertation two different approaches could be taken, deductive or inductive research. With the process of deduction 'a theory and hypothesis are developed and a research strategy is designed to test the hypothesis' (Saunders et al 2009 pg 129). This can also be called a 'top down' approach. It is a highly structured approach which involves developing a theory which will then be subjected to a rigorous test. Firstly one must actually deduct a hypothesis from the theory. The hypothesis is then expressed in operational terms, and then one must test this operational hypothesis. The next step involves examining the specific outcome of the inquiry. Finally if necessary the theory must be modified in light of any new findings that may arise in the research. The collection of Quantitative data is used here. (Saunders et al 2009). In contrast with this, through the approach of inductive research 'data is collected and a theory developed as a result of the data analysis' (Saunders et al 2009 pg 129). This process is also known as a 'bottom-up' approach. Here qualitative data is collected in the questionnaires or more often through the process of interviews and focus groups. The data which is collected must be analysed in order to get a better understanding of the nature of the problem/issue. This approach has a more flexible structure which would enable one to change the research emphasis as the research changes.

For the purposes of this thesis the focus will be on inductive research. This method will is most relevant to the topic of this thesis as it is important to get the employee and employer's point of view regarding motivation and their psychological contracts especially since the current economic climate in Ireland is in a downturn. Using

induction as an approach as opposed to using deduction will help gain an understanding of the meanings humans attach to event's (Saunders et al 2009 pg 127).

3.4 Location

As indicated previously, this study will be an in-depth case study into the 'Jervis Street' Dublin city centre store branch of the Mothercare Ireland Company. This branch was chosen as it is one of the companies' largest branches, situated in the heart of Dublin's city. The store has twenty five employees which include a manager, assistant manager, two supervisors and the remaining employees are sales advisors (see appendix 8.2 for store organisation chart). To gather the information here interviews and questionnaires where used within the store. Five interviews where conducted, one with the manager of the store and the rest with variety of the stores sales advisors. The remaining employees of the store where given questionnaires to fill out.

3.5 Interviews

An interview can be described as a purposeful discussion which involves two or more people (Kahn & Cannell 1957). Interviews are useful in helping to understand the feelings and emotions that employees attach to working in an organisation such as Mothercare and explore what, if any, the implications the current economic climate has on their work and personal lives. An interview will help us to understand the issues these individuals face on a daily basis, how they cope and their views on motivation in the current economic climate. There are three types of interviews; these are structured, unstructured and semi-structured. In a structured interview all participants are asked the same set of questions, an unstructured interview has no

preplanned questions or topics and in a semi-structured interview there is a list of questions prepared but the interviewer also asks unplanned questions (Lussier 2009, p.240). The type of interview chosen for this study is a 'semi-structured interview'.

A semi-structured interview allows all participants involved to be asked the same questions within a flexible framework (Dearnley 2005, p.22). Questions can be omitted depending on the flow of the interview (Saunders 2009). The nature of its flexibility is the main reason why this type of interview was chosen, another reason is the fact that participants are more likely to take part in a less formal type of interview. There are many benefits attached to this type of interview as opposed to the alterative 'structured interview'. The first of these benefits includes that fact that this type of interview will ensure the participant feels more comfortable during the interviewing process. As for some individuals the idea of a formal interview can make them feel nervous and unwilling to share any information they may feel could have negative effects on them or their job. For this reason the interview is conducted with just the researcher and the participant present, ensuring the management of the organisation are not present so that the employee does not feel pressured or that they need to be careful with what they say around their employers. Conducting an interview can allow the researcher to build up a rapport with the participant and ensure that they understand the questions being asked as they are face to face with the individual, something that conducting questionnaires doesn't offer.

A list of questions is drawn up prior to the interviewing process; these questions are based around particular topics outlined within the literature review. One of the advantages of this is that the flexibility allows other topics to be discussed that may

only arise during the interview, in a structured interview the conversations are guided, but in a semi-structured interview other questions can and will emerge from the dialogue allowing the conversation to become unguided (Whiting 2008).

Before the interview took place necessary steps where made in order to ensure that the questions that have been prepared will help to obtain the relevant information needed. This was completed by preparing a check list of topics that the literature review covers and preparing the questions based around these topics ticking off each topic as the questions were being prepared. This helped to ensure that all areas were covered and none where forgotten. In order to ensure the questions are clear and concise the process of piloting the questions was undertaken. This involved asking family members and friends to read over the questions which had been prepared and ensure they could be clearly understood. Following the feedback of these individuals the necessary amendments where made to the questions to ensure that the interviewing participants would have no confusion in regards to what they are being asked.

The location of these interviews where in the Dublin city centre store, Jervis street. They where conducted just over a one week time period from the 22nd of July 2011 until the 30th of July 2011, and took place in the staff canteen in the store. The first four interviews where conducted with a variety of the sales advisor's within the store. These were all conducted on different days as it was not possible to keep taking staff off the shop floor for interviewing. Because of this one participant was interviewed per day and each interview lasted for the time period of around fifteen to twenty minutes. During the interview notes where taken by the interviewer. This made it easier to write up the interview discussion after each meeting. Conducting only one

interview a day ensured that all the dialogue from the interview remained fresh when writing it up. The final interview was conducted with the manager of the store, as she was very busy this had to be scheduled in until after the interviews with the employees. This interview took place in the manager's office with the interviewer again taking notes on the questions asked. In order to ensure no interruptions this meeting took place early in the morning on the day as this was one of the stores least busy times where the manager would not be needed on the floor.

However upon beginning this type of research it became evident that there where time constraints involved. This meaning that a large number of the individuals had their own personal time constraints which meant they could not commit to an interview at the time. For this reason it then became evident that surveys/questionnaires would also have to be used in order to help gain the relevant information required. Conducting questionnaires in conjunction with the interviews will provide as much information as possible.

3.6 Questionnaires

Questionnaires where used in order to provide a descriptive statistical analysis of the nature motivation and the psychological contract within the company. It helps to provide an overall view which measures the issues surrounding these topics. This type of research allows for quicker responses on a much larger scale than interviewing would, as it wouldn't take up much of the employees valuable time the participation rate would be higher than that of the interviewing process.

A study conducted by Guest and Conway (2001) which analysed the CIPD survey on the psychological contract and organisational change was used as the basis of the questions on the topic of the psychological contract for the questionnaire. A number of the questions where taken from the survey and adapted in order to make them more relevant to the aims of this dissertation. In regards to the questions on the topic of motivation and incentive schemes these where derived from the literature review (a copy of the questionnaire can be seen in appendix 8.4).

Before the questionnaires where distributed they where piloted. This was done to ensure the questions involved where clear and concise for the participants to understand. If the questions where unclear the participants would not understand what is being asked of them and may not answer the questions accurately. For this reason it was very important to have the questionnaires piloted prior to distribution. A draft questionnaire was drawn up and given to four people (supervisor of the dissertation and three family members). Once this was done these individuals gave feedback regarding their understanding of the questions and what exactly was being asked of them. Following this feedback many questions needed to be amended to ensure they where clear and concise for the participants to understand, and some of the questions where even discarded.

The questionnaires where distributed into the Jervis street branch of the Mothercare Ireland Company. Prior to the distribution of the questionnaires contact was made with the manager of the store in order to gain permission for the distribution and collection of the questionnaires. Once permission was granted the manager was given a number of questionnaires which represented the number of employees that remained

following the interviewing process. Initially it was decided to get all the stores employees together for a period of thirty minutes to explain the terms of the questionnaire and to give them significant time to answer the questions. However it then became evident that as all employees will be together they could discuss the questions with each other before answering which could possibly mean that someone else's opinion can influence another's. It was then decided that the manager of the store would distribute the questionnaires to the employees over a period of three days, this timeframe was set out in order to ensure participation by all employees. The employees where given these questionnaires on their lunch breaks to fill out so they where not under any pressure to fill them out in front of anyone. This ensured that the participant had complete privacy in answering their questions and could not be influenced by anyone else's opinion.

However although the questionnaires seem to have many advantages over interviews and solve the issues which are attached to the interviewing process, they pose their own set of issue's. These include the fact that the researcher has no interaction with the participant to ensure they understand what is being asked of them. Also they cannot add any more questions to the list such as when in an interview. The semi-structured interview gives the researcher a chance to ask any more questions which may come to mind in light of the new information that the prepared questions provide. For these reasons both methods (questionnaires and semi-structured interviews) are used to help the researcher to gain as much information from the employees of the organisation as possible.

3.7 Questions

As mentioned previously the questions used in both processes where either, taken and amended from the previous work of Guest and Conway (2001) or where made up from reading of the literature review in chapter 2. Following the reading of all the relevant literature the research questions of the dissertation where chosen. Each of these questions where examined individually in order to ensure they could be answered by the interviewing and questionnaire process.

The first of the research questions is *'What are the sources of motivation for the retail sector given the current state of the environment'*. Many different questions where used in order to help answer this query. Such questions include whether the employees are motivated by financial or non financial sources and what their level of motivation within their role is, amongst others. This question can be tied in with the second research question of the study which was to see *'How receptive are the employees of the company to incentives/incentive schemes?'* from reading the literature surrounding motivation the concept of incentive schemes kept appearing, which suggests that incentives are strongly related to motivation. The employees where asked if they feel they respond to incentive schemes and what types of incentives they prefer. An interesting thing which came up in the literature was in regards to employee discount cards. Patterson (2011) believes that discount cards can be offered trough incentive schemes, this was included in the questionnaires and interviews in order to get the employees opinion on whether or not they believed their discount cards are an incentive for them to work. For the final question *'What is the nature of the psychological contract within the organisation'* the questions in the Guest and Conway (2001) where used and amended in order to suit this study. Such

questions here include asking the participants about their expectations of the organisation, if these have been fulfilled, their loyalty towards the organisation and their level off effort in the company.

CHAPTER 4: FINDINGS

4.1 Introduction

This chapter will look at displaying the findings from the research conducted in the study. As mentioned previously a total of 25 employees where used to conduct this study within the company's Jervis Street Store. Twenty of these employees participated in the questionnaires and the other five employees participated in the interviewing process, these five employees which where interviewed included the manager of the Jervis Street store along with four of the stores sales advisors.

This chapter will begin by going through the findings of the questionnaire, showing the results of each question graphically in either pie or bar chart format. Each of these charts will include a brief explanation of what is being illustrated for each question. After this the findings from the interviews will also be discussed.

4.2   Analysis of Questionnaires

The questionnaires consisted of twenty four questions broken up into three sections surrounding the relevant topics of the study and a personal information section. The findings will be discussed under the three sections of the questionnaire, which are Motivation, the psychological contract and the personal information section. As these questionnaires are strictly confidential and anonymous the participants where not required to give any specific personal information that would disclose their identity. These individuals where asked their age, length of service with Mothercare and hours they work per week. When given the option to answer the answers where put into

categories for them to choose from. For instance with regards to age the categories where displayed like so: 15-19 years 20-24 years ect. This allowed the participants to provide personal information while still remaining anonymous.

Section 1: Motivation

Q1. How would you describe your current level of job satisfaction?

As you can see from the pie chart below, only 5% of the participants who took part in the questionnaires believed that they have a high level of satisfaction within their jobs, 65% of the individuals believed they had a medium level of satisfaction and 30% believed to have a low level of satisfaction. The majority of the employees who work in this store have a medium-low level of satisfaction in their jobs.
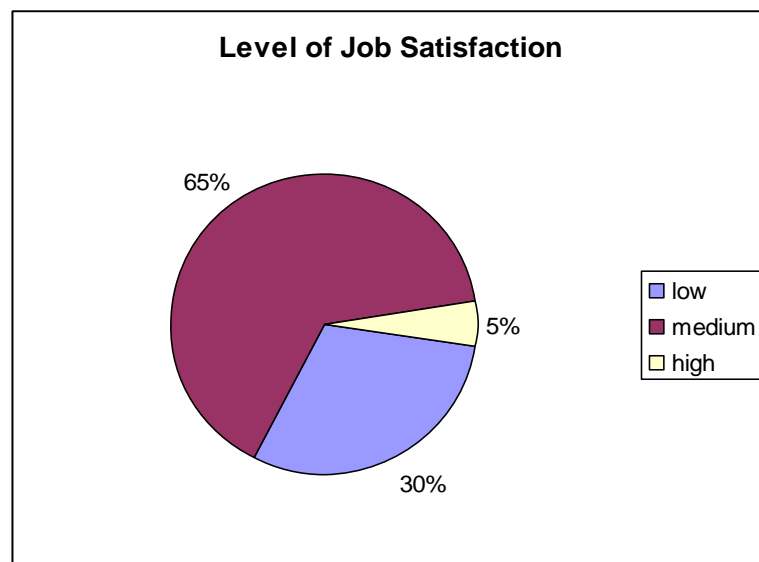
Level of Job Satisfaction

Q2. How would you describe your current level of motivation within your job/role?

Level of Motivation Withtin the Job
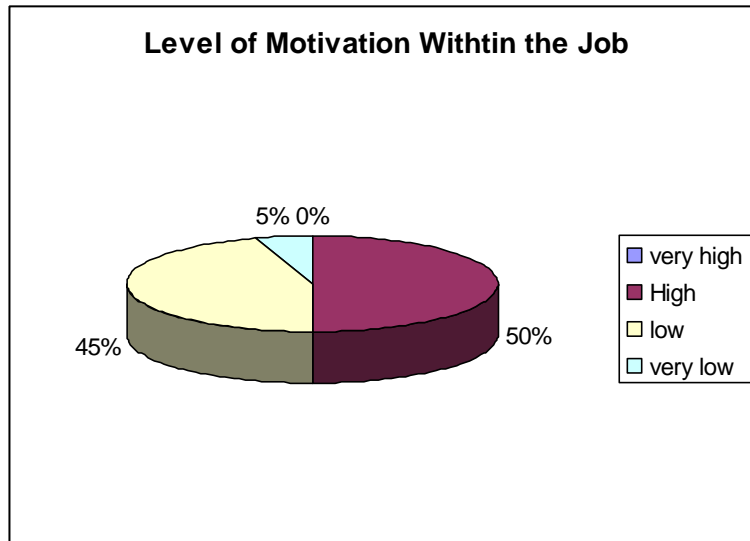
This pie chart illustrates the levels of motivation the employee's of the store have. Not one of the employees in this store believed they had a very high level of motivation in their job. Half of the employees believed they had a high level of motivation, whilst the other half of the employee's motivation levels ranged from low to very low.

Q3.Can incentives influence your Motivation and performance levels at work?

Can incentives influence your motivation and performance at work
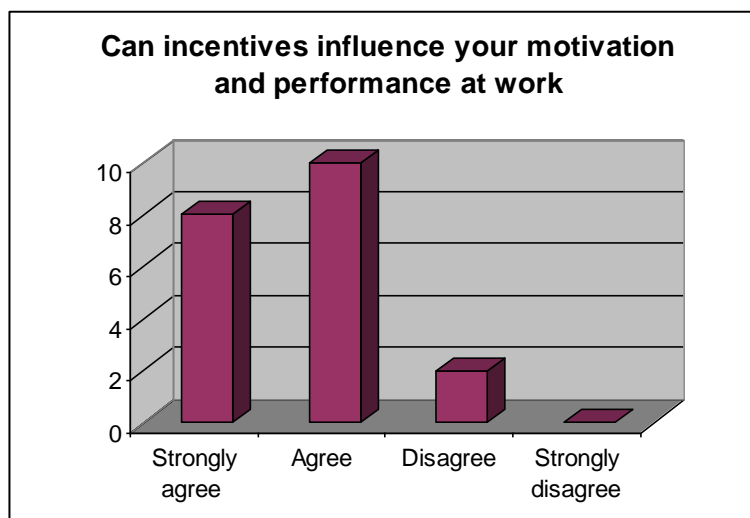
The bar chart above shows how the employees feel incentives improve their motivation at work. 90% of the employees either agree or strongly agree with this statement, while only 10% of the employees do not believe that incentives influence their motivation and performance in the workplace.

Q4. What types of incentives influence you the most?

Here the employees had the option of choosing between financial incentives, non financial incentives or both. As can be seen from the pie chart below, a significant number of the employees believe that both financial and non financial incentives influence their performance at work. Only 5% of the employee's questioned believe they are motivated by non financial incentives alone (these could include factors such as recognition and job security).
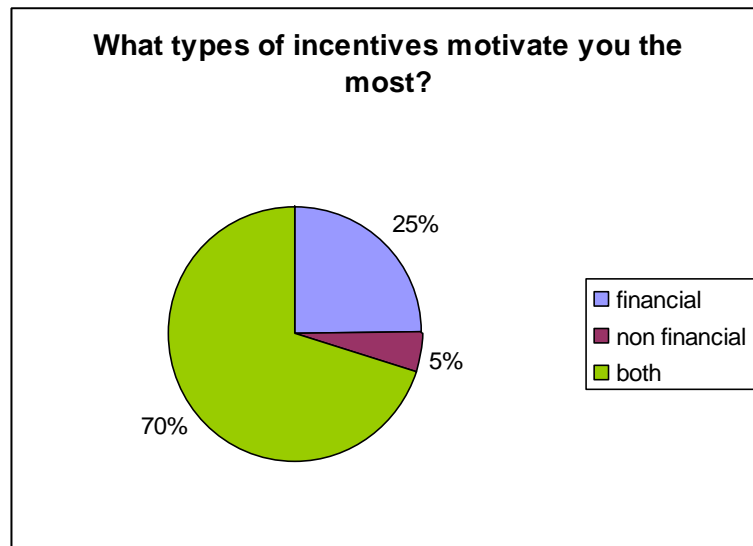
Also in this question employees where given the opportunity to give an example of the incentives they believe motivated them the most, unfortunately this section of the question only had a 20% response rate. The examples which where given by the

employees who did answer include such factors as vouchers, employee of the month programme, certificates, bonuses, extra days leave and receiving recognition for a job well done.

Q5. When the organisation offers incentive schemes how do you feel you personally respond to them as a motivator?

How employees feel they personally respond to incentive schemes as a motivator
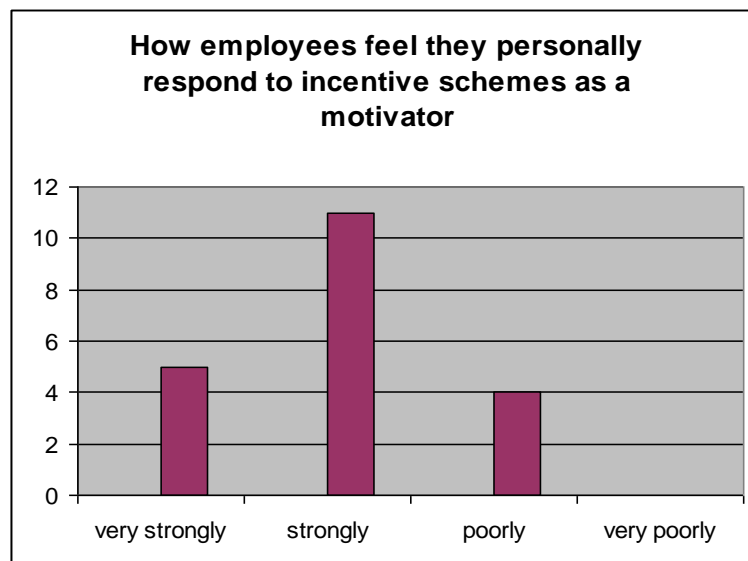
This question aimed to find out how the employees of the store believed they personally responded to incentive schemes when they are provided by the organisation. Only 20% of the employees consider themselves to respond poorly to the incentive schemes when provided. The remaining 80% of the employees however think they respond strongly or very strongly to the schemes.

Q.6 Please rank the following factors of motivation on order of importance to you (starting with one as the most important factor and 6 as the least important factor).

In this question all the participants where given a list of 6 factors which are known to motivate individuals. These factors included salary increases, promotion, holiday benefits, job security, status and recognition. The employees where asked to rank each

of these factors of motivation in order of how important they believe they are to them. The results of this are illustrated in the bar chart below.

Q6. Rank the motivators in order of importance to you
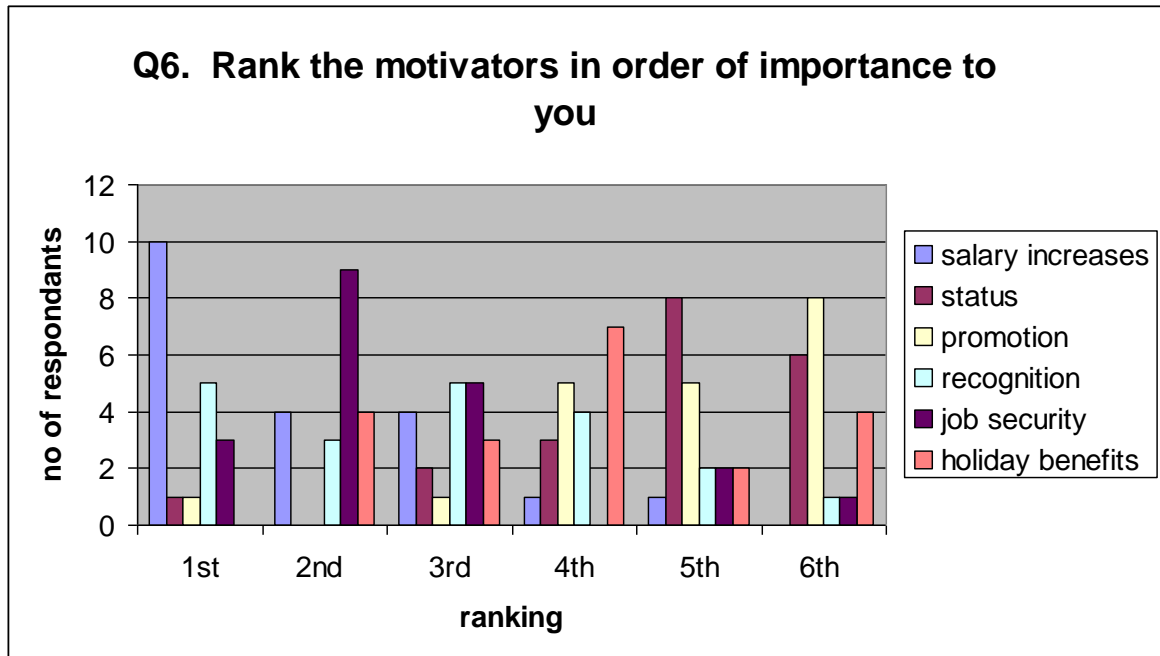
This diagram contains a lot of information as you can see. The x axis shows the number of people who responded to each factor. The y axis show's the rankings of the factors.

1st here (on the x axis) would be considered to be the employees leading motivators. For 50% of the employees salary increases are what motivate these individuals the most, following this 25% of the employees believe they are most motivated by receiving recognition for the work they do in their jobs, none of the employees considered themselves to be most motivated by holiday benefits.

If you where to consider the lengths of the bars in each ranking the employees motivators would be ranked in the following order:

1. Salary increases

2. Job security

3. Recognition

4. Holiday benefits

5. Status

6. Promotion

Q7. Do you believe you are fairly rewarded for the amount of effort you put into your job?

Do you believe your fairly rewarded for the amount of effort you put into your job?
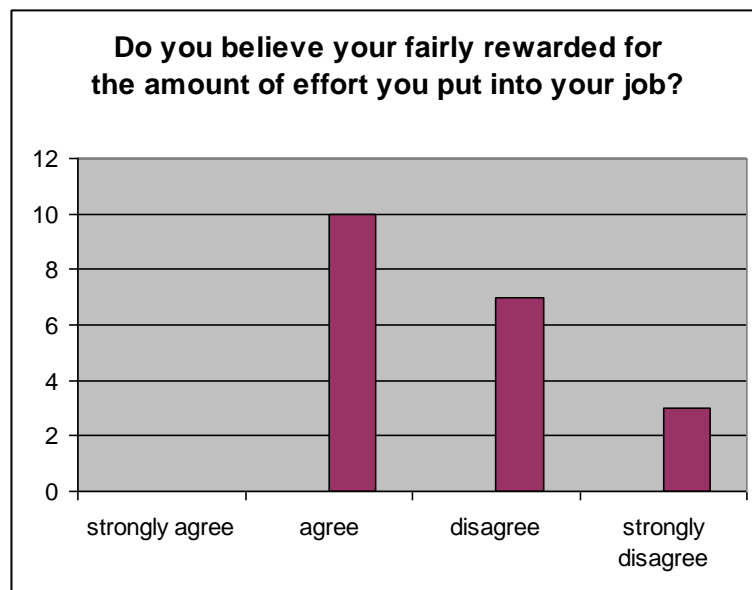
None of the employees strongly agree that they're fairly rewarded for the amount of effort they put into their job. 15% of the employees strongly believe they do not get fairly rewarded for their effort in work whilst 50% agree they do get rewarded for their effort.

Q8. In relation to staff discount cards do you believe they are a right of your employment or an incentive to work?

Are staff discount cards an incentive or a right?

- Right
- Incentive
- No answer

15%

20%

65%
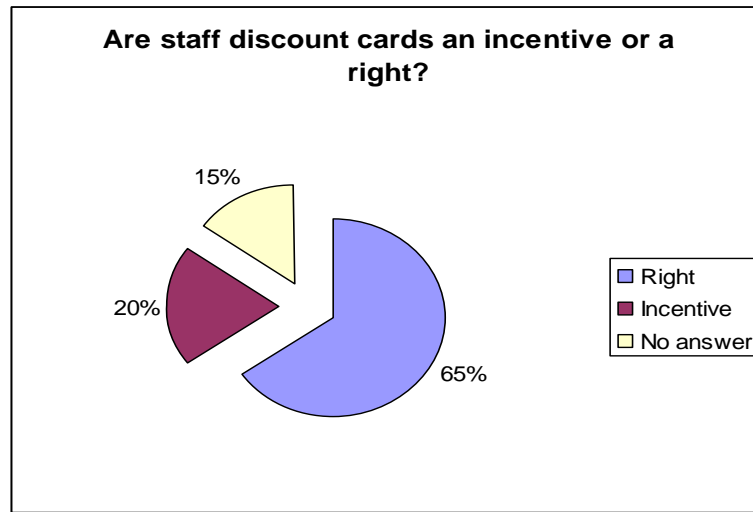
This question is one of very few questions which did not receive a full response from the participants. In fact 15% of the employees involved in the research did not answer this question. However from the individuals who did answer the question the majority of them believe that the staff discount cards they receive after six months of employment with the organisation are a right of their employment not an incentive to make them work harder.

Q9. How secure do you feel in your present job?

How secure do you feel in your job?

very secure   fairly secure   fairly insecure   very insecure
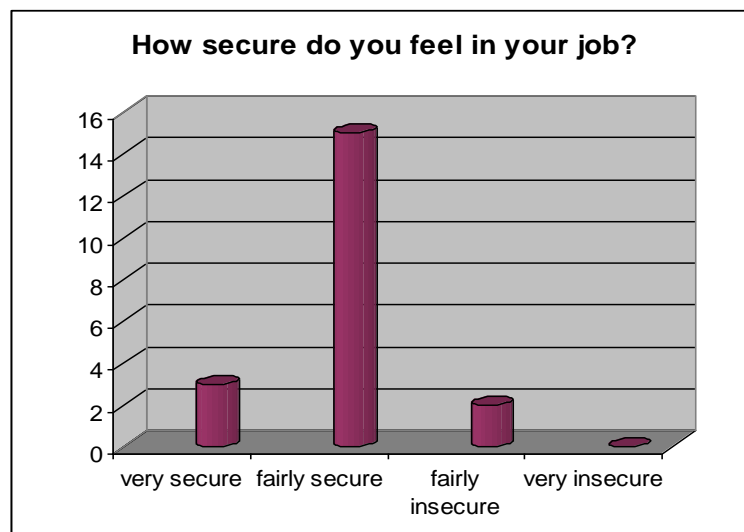
The majority of the stores staff members (75%) believe that they are fairly secure in their job. Only 15% of the participants feel very secure in their jobs.

Q10. Would you consider leaving your job for another if you were unhappy?

If you where unhappy in your job would you leave?

As you can see all of the participants believed they would leave their jobs if they where unhappy there.

Q11. In the past twelve months have you:

- *Considered leaving your job*

- *Looked for new jobs*

In the past 12months have you considered leaving your job?

Alarmingly here not one employee said that they have never considered leaving their jobs in the past twelve months. 35% of the employees said they have rarely considered leaving their jobs, whilst the rest of the employees said they either sometimes or often considered leaving their jobs.

In the past 12months have you looked for new jobs?

	often	sometimes	rarely	never
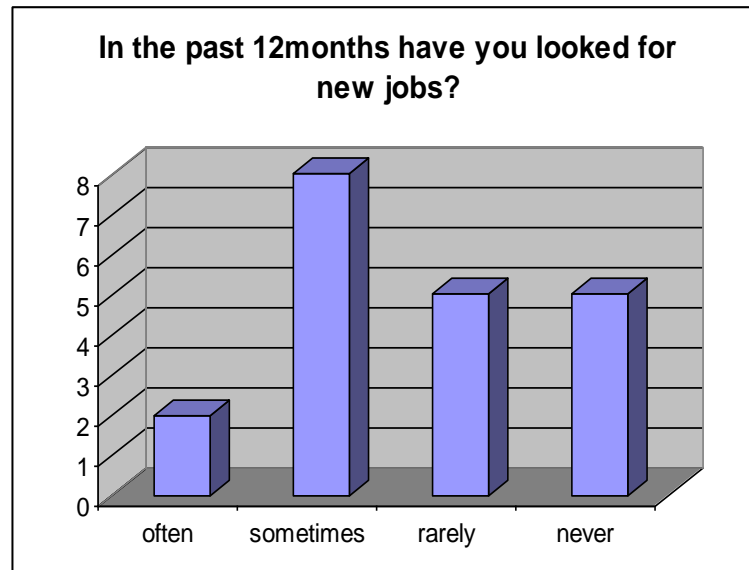
Despite the fact that the majority of the employees previously said they consider leaving their jobs, 50% of these employees now say that they rarely or never have looked for a new job in the past year. Whilst 40% admitted they sometimes have looked for new jobs to which they could apply to.

Q12. How likely do you think it is that you will still be employed in Mothercare in the next twelve months?

How likely is it that you will still work in Mothercare in the next 12months?
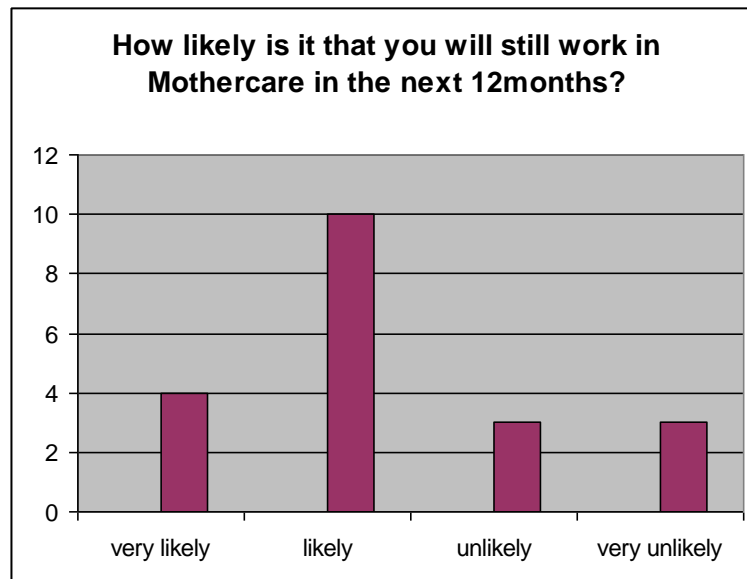
Although the majority of the staff members of the store previously admitted that they have considered leaving their jobs in the past 12months and have looked for new jobs, the majority of these staff (70%) still believe that it's likely they will still be in employment with this organisation in the next twelve months.

Section 2: The psychological contract

Q13. To what extent do you feel that the expectations you had at the beginning of your employment have been fulfilled?

Do you think your expectations of the job have been fullfilled?

5%

15%

80%

- yes all of them
- to some extent
- not at all
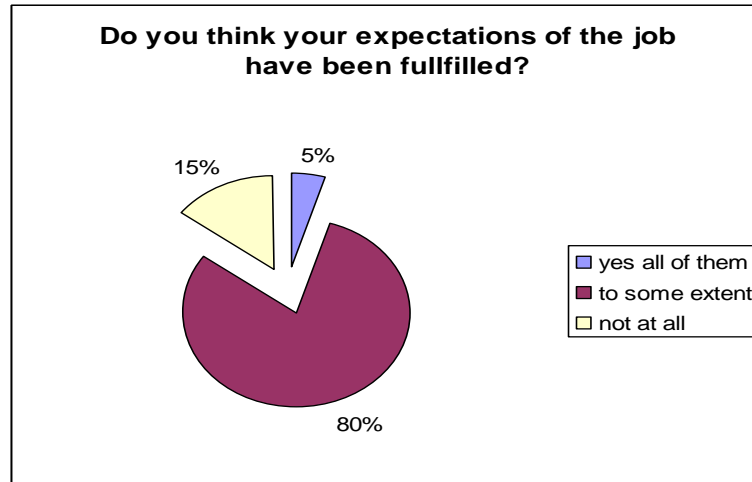
80% of the staff members in the store believe that the organisation has fulfilled their expectations of their job, but only to some extent. This would mean that this percentage of employees still believe that the organisation has not fulfilled some of their expectations they had at the beginning of their employment in the organisation, 15% of the stores employees believe their expectations have not been fulfilled at all.

Q14. Has Mothercare kept the promises they made to you at the beginning of your employment?

Has Mothercare kept the promises they made to you at the start of your job?

10%

20%

70%

- yes always
- sometimes
- no never
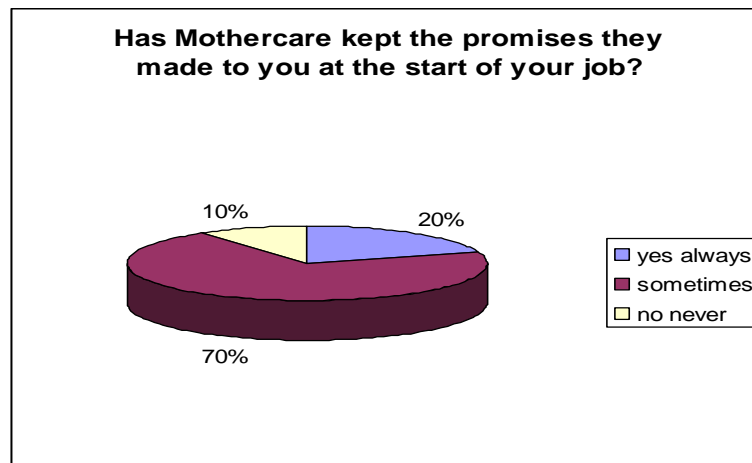
The majority of the staff members believe that the organisation sometimes have kept the promises that where made to them at the beginning of their employment, whilst only 20% of the participants believe the company has always kept to the promises they made to them at the beginning of their employment.

Q15. How often do you feel the organisation keeps to their promises?

How often do you feel the company keeps to thier promises?
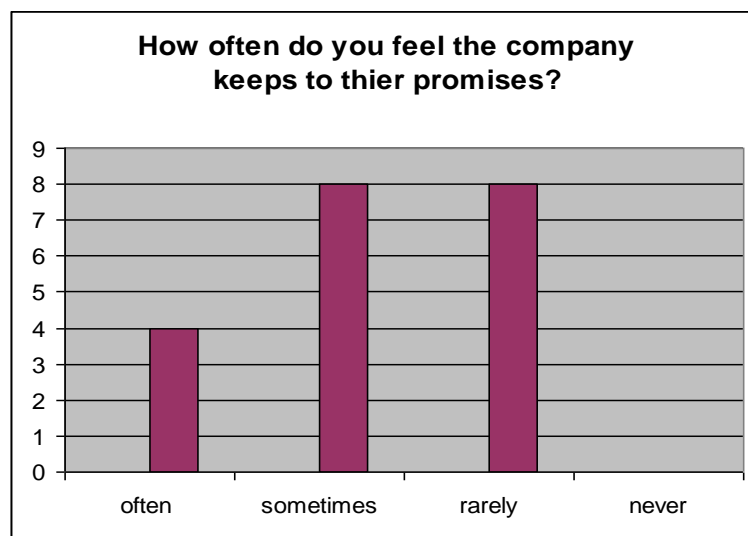
Considering in the previous question the majority of the employees feel the organisation has only 'sometimes' kept to the promises they made them. In this question here the bulk of these staff members believe the organisation only sometimes or rarely keeps to any of the promises they make in general. Only 20% of the stores staff thinks that the company often keeps to the promises they make.

Q16. When/If the organisation doesn't deliver on their promises how do you feel?

How do you feel when they dont keep thier promises?
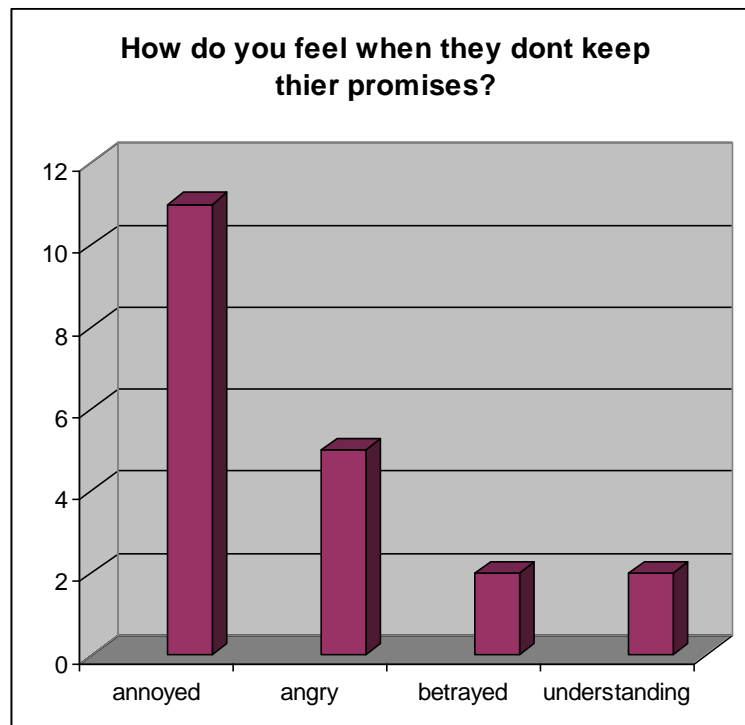
When the organisation breaches the psychological contract of one of their staff member's, 55% of these employees feel annoyed by the breach while only 10% consider themselves to be understanding towards the organisation when a breach occurs.

Q17. How often have you:

- *Criticised the company to people outside work*

- *Taken a day off sick when you where actually able to work*

- *Done the minimum amount of work possible that you think you could get away with*

This question has three separate parts to it which requires the staff to answer on how often they feel they have done/considered the above.

**How often have you criticised ther
company to people outside of work?**

- often
- sometimes
- rarely
- never
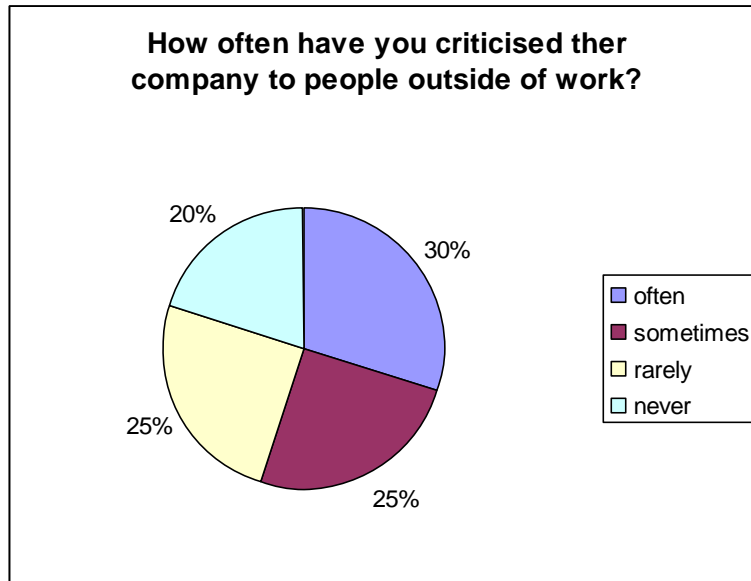
Only 20% of the employees say that they have never criticised the company to other people outside of the store. Whilst the largest amount of the pie above represents the amount of people who admit that they often criticise the company to people outside of work.

**How often have you taken a day off work
when you where actually able to work?**

- often
- sometimes
- rarely
- never
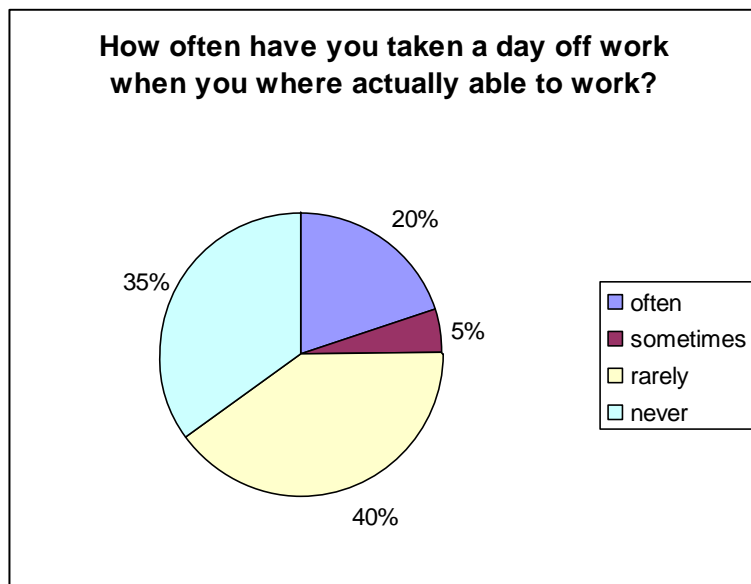
Here only 35% of the employees say that they never have taken a day off work when they shouldn't have. This means that the remaining 65% of the employees have taken a day off work when they were really able and available to work, 20% of these employees say that they have done this often.

How often have you done the minimum amount of work possible?
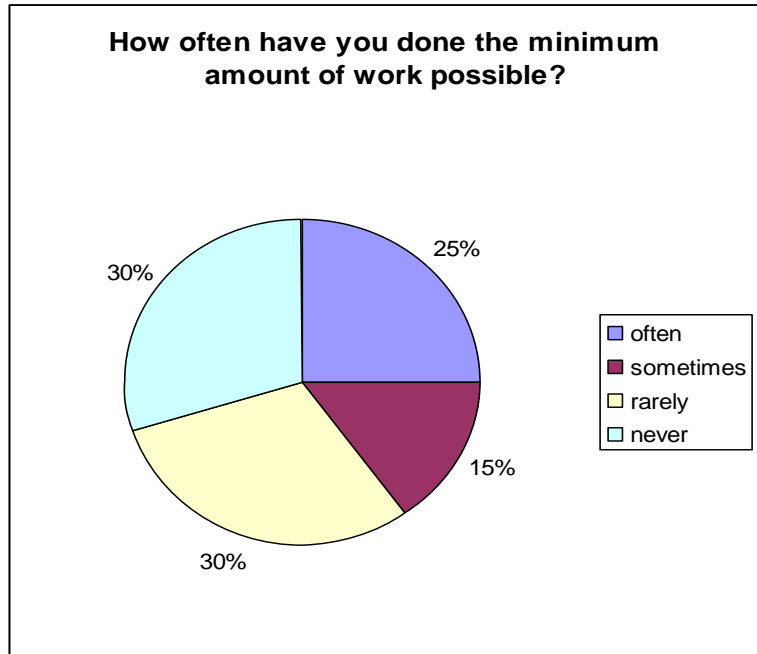
The sections within this pie chart have a very slight percentage in between them. 60% of the staff here say they never or very rarely try to get away with doing the least amount of work as possible, while a quarter of the stores employees declared that they often try to do the minimum amount of work as possible within the store.

Q18. How would you rate your performance in work compared to last year's performance.
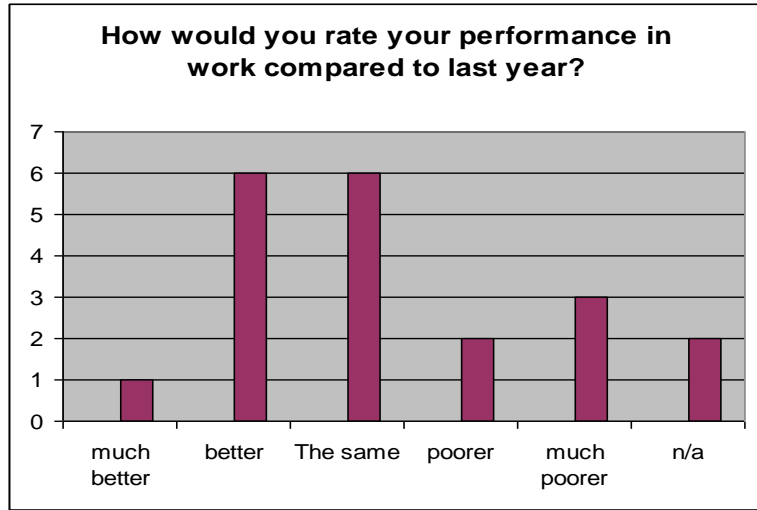
10% of the employees did not answer this question as it did not apply to them, these employees where not working in the store in the previous year. For the remaining employees only 35% of these individuals believe their performance within the store has improved since the previous year. The rest either believe their performance has remained the same or deteriorated. 15% of all the stores employees believe that their performance has gotten much poorer since last year.

Q19. To what extent do you work to fulfil the expectations that Mothercare has of you?
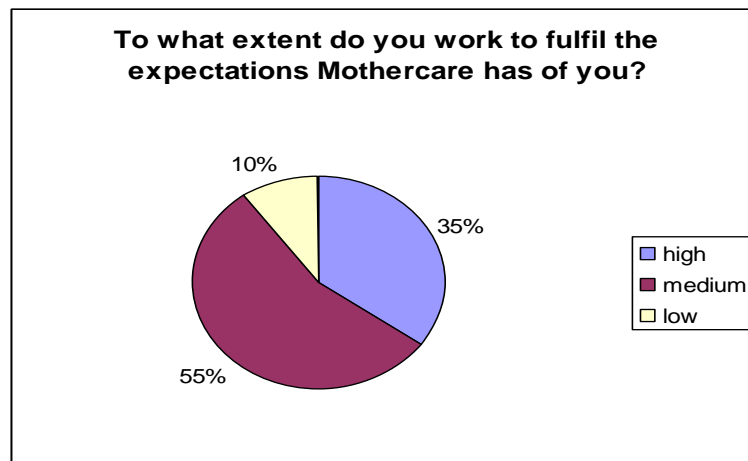
On a ranking level here 10% of the participants believe they work put a low amount of effort into achieving the expectations that the Mothercare organisation has of them. From the remaining participants 35% believe they put a high amount of effort in to achieving the organisations expectations and 55% believe they have a medium effort with regards to this. Overall the majority of the employees do believe they do their best to work towards achieving what is expected of them by the organisation.

Q20. How would you describe your current level of loyalty towards the Mothercare organisation?

Employees level of loyalty towards Mothercare?

15%

35%

50%
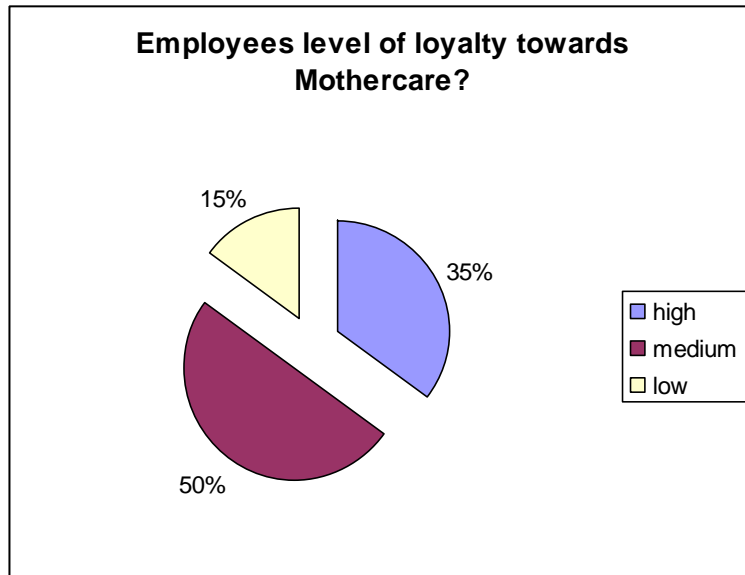
- high
- medium
- low

Only 15% of the employees in the store believe they have a low level of loyalty towards the Mothercare organisation, whilst 35% of the staff believes they have a high level of loyalty towards the organisation.

Q21. Would you defend the organisation if anyone criticised it?

Would you defend the comapny if someone criticised it?

15%

40%

45%

- yes
- maybe
- no
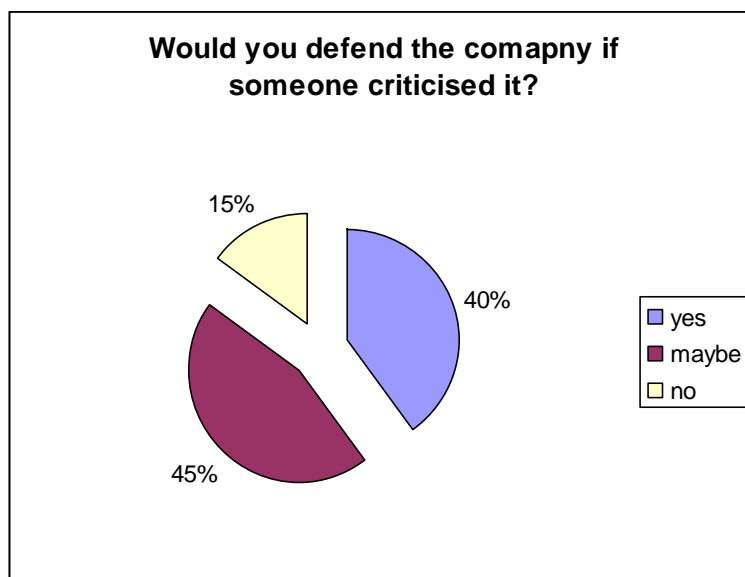
Even though 85% of the staff members of the store previously declared that they consider themselves as being loyal towards the organisation, only 40% of employees say they would defiantly defend the organisation if somebody was to criticise it. 45% of these individuals believe they 'maybe' would defend the organisation if it where to be criticised.

Section 3: Personal Information Section

Q22. What age bracket do you fall under?
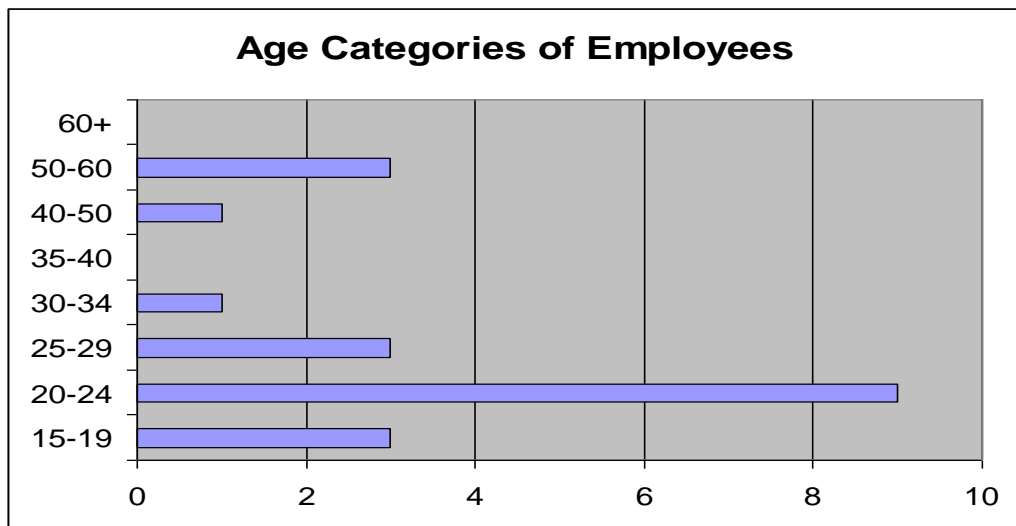
Age Categories of Employees

Age	Count
60+	0
50-60	3
40-50	1
35-40	0
30-34	1
25-29	3
20-24	9
15-19	3

Q23. How long have you been employed with Mothercare?

Length of service with the organisation

Length	Count
15+ years	1
10-15 years	2
9-10 years	0
7-8 years	0
5-6 years	4
3-4 years	5
1-2 years	4
<1year	4

Q24. What is the average amount of hours you work per week?

Hours worked per week

A horizontal bar chart titled "Hours worked per week" with the following approximate values:

Hours category	Value
40+ hours	1
35-40 hours	2
30-35 hours	1
25-30 hours	1
20-25 hours	1
15-20 hours	9
10-15 hours	2
1-10 hours	3
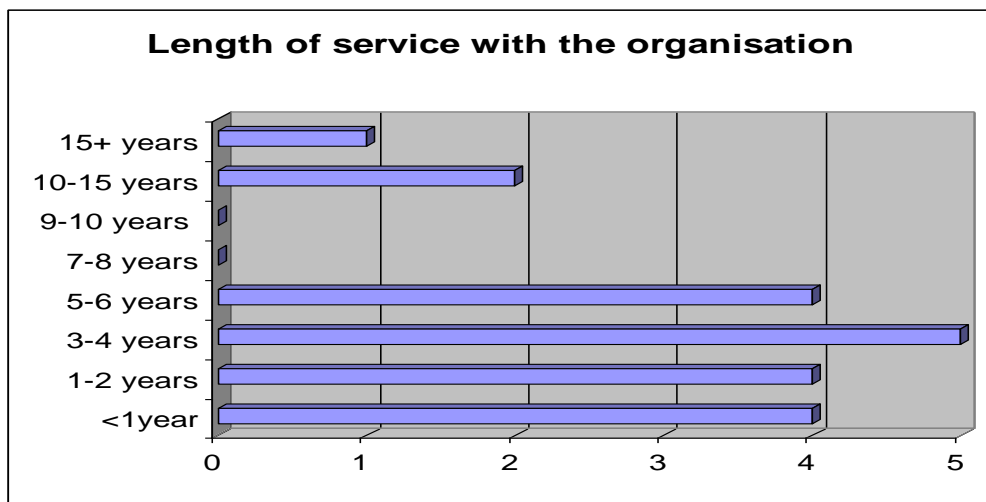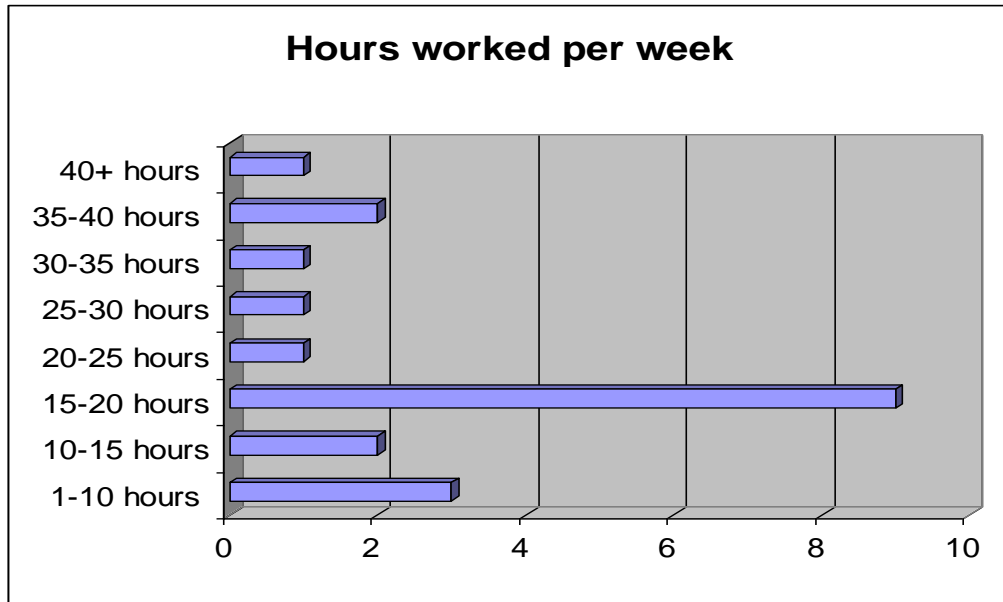
From looking at the three questions in this section you can see that the majority of the employees who work in the Jervis Street Store are aged between twenty to twenty four years old. The majority of the employees have worked for the organisation for a period of between one to six years and work on average around fifteen to twenty hours per week. All the employees in this store are female.

4.3 Analysis of Interviews

As mentioned previously five interviews where conducted on employees in the Jervis store. Four of these interviewees included sales advisors in the store and the final interview was conducted with the manager of the store. Similar questions as in the questionnaires above where asked of the interviewees, some interviews included extra questions depending on the feedback been given from the interviewee and some of the employees provided a lot more feedback and information than others. These questions again where based around the topics of general motivation, incentives and the employees psychological contract. The actual interview dialogue of each individual can be seen in chapter 8. Quotes will be used from the actual interviews when analysing the interviews. When a quote is used a description of the individual who said this will be provided after each quote. This description will include the individual's gender, position within the organisation, age and the amount of time they have worked for the company.

Motivation

The majority of the interviewees believe they are satisfied in their jobs. When these individuals where asked what contributes to their level of satisfaction in their job a wide range of factors where given. One employee explained *'I like my job and I feel I am good at it'* (female, sales advisor, aged 30, 2years service), another employee believed her level of satisfaction was down to the type of contact she had and the ease of her job she said *'My current contract is a permanent part-time worker. I am satisfied with this particular contract as it means I do not have to fear the loss of my job unless it is necessary. In the current economic climate this type of contract is most ideal. I have also worked in the company long enough to feel happy and at ease which*

adds to my level of satisfaction in the job' (female, sales advisor, aged 22, 4years service). However these employees have also given reasons as to how their satisfaction within their job could be improved. Many employees believe if the company was to lift the pay freeze that was introduced near the beginning of the recession they would be more satisfied in their jobs, one employee explains this: *'I am dissatisfied due to the fact that there is currently a pay-freeze within the company. This prevents any prospect of a raise in wages'* (female, sales advisor, aged 22, 4years service).

These employees level of satisfaction is reflected in their level of motivation. Some of the interviewees believe they have been previously more motivated in their jobs than they are right now. When these employees where asked about their levels of motivation one employee said *'I don't believe I am as motivated as I was in the first year or two in the job'* (female, sales advisor, aged 19, 4years service) another interviewee agreed here saying she was *'not motivated enough at the moment, I've been more motivated in the past'* (female, sales advisor, aged 30, 2years service). Just like their level of satisfaction, these employees believed that their motivation within the organisation could be improved also, one employee even admitted when they are not motivated *'I try to do the minimum work possible'* (female, sales advisor, aged 21, 5years service).

These employees all have different reasons regarding why they believe they are unmotivated in work and how they feel this problem could be solved. One interviewee expressed her opinion with an emotional response, she said *'I don't feel I'm treated correctly, I feel there is often more expected of you than what your position requires*

you to do' (female, sales advisor, aged 19, 4years service). The majority of the interviewees believe their motivation could be improved by the prospect of a wage increase, which they could be possible if the company was to lift the pay freeze on the employee's wages. Other factors where also presented by the employees as to how their motivation could be improved. When asked about this one employee said '*If I was treated better in the job and recognised for the work I do'* (female, sales advisor, aged 19, 4years service) another employee agreed with her here when asked the same question regarding how their motivation could be improved she said '*If I was to be recognised more for the work I do'* (female, sales advisor, aged 30, 2years service). The manager of the store believes that '*Recognition and job security help motivate me to do my job'* (female, store manager, aged 26, 5years service). Salary increases and recognition are the most important factors here for motivating this type of employee. This is similar to the findings of the questionnaire where the top three factors to motivate the individuals included salary increases, job security and recognition.

When the manager of the store was asked how important she taught it was for the employees to be motivated in their jobs, she answered '*I think it's very important to have most if not all the staff feel motivated to work'* (female, store manager, aged 26, 5years service). In order to improve the staff member's level of motivation the manager suggested that *'that better communication within the company could improve this and also more structure'* (female, store manager, aged 26, 5years service).

Incentives

All the interviewees agree that incentives influence their motivation and performance at work, however some of these employees believe incentives influence them stronger

than others as one employee believes *'to a certain degree I believe they do'* (female, store manager, aged 26, 5years service) while another believes *'I believe incentives influence my motivation and performance at work immensely'* (female, sales advisor, aged 22, 4years service). Despite this all of the employees still believe incentives do influence their performance, regarding the types of incentives that influence the employees both financial and non financial incentives where mentioned by the interviewees. When asked which type of incentive influences them the most one employee describes best what most of the stores employees believe '*Id say both, it depends on circumstances. If I'm having money troubles it would be financial and if not it would be non financial*' (female, sales advisor, aged 30, 2years service). This corresponds to the Maslow's hierarchy of needs theory, whereby it suggests that a person's factor of motivation depends on their needs at any given time.

Although questions where prepared for the interview some questions also arose during several of the interviews. Some of the employees where asked if the organisation has ever provided incentive schemes, which they have. These interviewees where then asked what kind of schemes where provided to them by the organisation, these include an '*employee of the month scheme'* (female, sales advisor, aged 21, 5years service)*,* another answered '*if you meet your sales target or sell more than anyone else you could receive a voucher or other bonus'* (female, sales advisor, aged 30, 2years service) this shows that there is a mix between financial and non financial incentives provided by the organisation. One employee described their personal response to the incentive schemes when asked as '*Honestly I think I work well given an extra incentive to do something, when there was an opportunity to win a*

voucher for instance I worked harder in order to try drive sales and win the competition' (female, sales advisor, aged 21, 5years service).

One question which was asked in both the interview and questionnaire process was regarding staff discount cards. Each interviewee was asked if they believed the staff discount cards which are distributed to them after six months of employment where an incentive for them to work harder or a right of their employment. This question received a mixed response. Some of the interviewees believe their discount cards are a right of their employment and some believe they are an incentive for them to work. Each employee had their own opinions regarding this question, some completely different to others. For instance one employee answered saying they believe '*it's a right, most places provide their employees with a discounted price on their products and I think that it's right for them to do so; it's a way of giving back to the employees'* (female, sales advisor, aged 21, 5years service)*,* another employee replied '*For me there an incentive to work, as I have small children I buy a lot from the store, The discount card really helps'* (female, sales advisor, aged 30, 2years service)*.*

The Psychological Contract

Each interviewee was given a definition of what exactly the psychological contract was before they where asked questions about it to ensure they understood the concept; 'The psychological contract is the unwritten expectations/promises that exist between you and your employer'.

Firstly the interviewees where asked what their expectations of the job where when they started in the organisation and what promises where made to them by the

company. These interviewees all had some similar expectations and promises made to them, these included promises of a *'fair wage'* (female, sales advisor, aged 21, 5years service), *'salary increases'* (female, sales advisor, aged 19, 4years service) and *'career advancement opportunities'* (female, store manager, aged 26, 5years service). Some of the expectations these employees had where to be *'treated fairly and with respect'* (female, sales advisor, aged 21, 5years service)*, 'job security and recognition for a job well done'* (female, sales advisor, aged 30, 2years service).

When asked if their psychological contract has ever been breach a mixed response was given. Some employees believed the organisation has not delivered on their promises which they had made to them. One employee believed that the organisation has never kept to their promise of a wage increase to them, this employee said '*In the 4 years I've been at Mothercare, I have never gotten a raise, sometimes this makes me feel like I don't want to want to come to work and feel unmotivated to work while I am here'* (female, sales advisor, aged 19, 4years service). This employee believed that if the company where to issue them with a wage increase this could help them to fulfil the expectations that where made to her. Another employee suggested differently to this one. When asked if the organisation has delivered on their promises she said '*Mainly I think the company keeps their promises to the best of their ability, I expected some salary increases, however with the economy the way it is, its not possible for the company to facilitate this'* (female, sales advisor, aged 30, 2years service) . This employee is understanding of the state of the current economic climate and feels the company are '*their trying to survive a bad economy and hopefully when things pick up my wage rate can improve'* (female, sales advisor, aged 30, 2years service)*.*

Wages are not the only reason that these interviewees think the company has not stuck to their promises. The manager of the store believes that the organization has not kept to all the promises that where made to her and this makes her feel '*Resentful and annoyed*' (female, store manager, aged 26, 5years service). One of the ways in which she believed the organization could improve this was to '*Give me more support in my role as manager*' (female, store manager, aged 26, 5years service). One employee had mixed feelings on the subject she said '*Most of the time yes I feel like all my expectations I had at the beginning where met. However I have had my fair share of bad days in work, you know when you feel that the company don't have your best interests at heart*' (female, sales advisor, aged 21, 5years service). This interviewee explained that when this happens '*you may find yourself ringing in sick to the job without it being necessary or not doing your job when you do come to work*' (female, sales advisor, aged 21, 5years service). She believes that for the organization to fix this problem they should have a superior communication system whereby if there is a problem in the organization all staff fully understand and are aware of the problem.

When the store manager was asked about the importance of employees expectations and how they could be fulfilled she believed that it's very important that the employees expectations are met and to improve this the company could offer '*More support and better communication with the employees on a regular basis*' (female, store manager, aged 26, 5years service).

General

All of the employees that where interviewed considered themselves to be loyal towards the organisation and believed that if someone was to criticise the organisation

they would defend it. Despite the fact all the employees considered themselves as being loyal towards the organisation, when asked if they thought they would still be working in Mothercare next year, two out of the five employees interviewed admitted they don't think they will still work in the company next year. Along with this three of the interviewees admitted that they have previously considered leaving the organisation. Once these interviewees admitted this they where then asked why they decided to stay. They answered with a range of reasons including *'limited job prospects available elsewhere'* (female, sales advisor, aged 22, 4years service), and *'financial worries'* (female, sales advisor, aged 19, 4years service). The other employees admitted they could see themselves in the company next year, with one even answering '*I hope I will yes'* (female, sales advisor, aged 30, 2years service). As this employee is hopeful of remaining in the company, the manager of the branch said she would even consider spending the rest of her career within the organisation.

CHAPTER 5: DISCUSSIONS

5.1 Introduction

This section will discuss the findings of the dissertation. It will look at the findings in conjunction with the literature review and seek to answer the research questions which where previously outlined. These research questions include;

1. What are the sources of motivation amongst retail sector employees within the current economic environment?

2. How receptive are the employees of the company to incentives?

3. What is the nature of the psychological contract within the organisation?

The research questions will be answered trough the discussion of these findings under the relevant themes which emerged from the dissertation, these themes include motivation, incentives and the psychological contract.

5.2 Motivation

'What are the sources of motivation amongst retail sector employees within the current economic climate'? This was the research question which was to be answered by exploring the theme of motivation.

Motivation is the inner desire to satisfy an unsatisfied need (Lussier 2009, p.386). The retail sector employees who where involved in this research mainly perceive themselves to be highly motivated individuals, just over 50% of these employees believed they where highly motivated in their jobs. This means there is still a significant amount of individuals who believe they have a low to very low level of motivation. The organisation could look at helping to increase the level of motivation

of their employees by looking at the principal factors of motivation which emerged in the research. These factors where ranked by the employees in the following order: salary increases, job security, recognition, holiday benefits, status and promotion. The organisation and the manager could work together and focus on the top three factors which are outlined here, now that they have been made aware that the majority of the staff within the store believes they are motivated by these factors. However, it was found that the organisation currently has a pay freeze on their employee's wages, because of this it seems understandable to say that the organisation will not be able to provide the salary increases that these employees feel they are most motivated by. Until they can deliver on this they could look at ways of convincing their staff that their jobs are safe (if this is indeed the case) or to come up with a way of ensuring that all employees get the recognition they deserve for the effort they put into their jobs. Flack (2009) believes managers must maintain an open and honest relationship with their staff and keep them up to date with the current business situation. If jobs are secure the company should communicate this with the employees so they feel safer and at ease within the company without feeling anxious that they may lose their jobs. The same applies if the employees position within the organisation is not secure, if the organisation communicate that job security is not definite these employees will appreciate the honesty of knowing that job security does or does not exist, when interviewed one of the employees agreed here saying *'communication I think is important, I expected to always feel secure in my job, if there's a problem with the company I feel its best that we know'* (female, sales advisor, aged 21, 5years service). In regards to recognition Alexander (2001) believes that failing to show recognition to employees could potentially cause problems for the organisation in the long run. The fact that recognition was ranked number three in the factors which motivate the

individual's, suggests that the organisation would be smart to incorporate this into motivating their employees; thanking employees for a job well done could go along way in boosting their self esteem (Alexander 2001).

5.3 Incentives

'How receptive are the employees of the company to incentives' this question allowed the theme of incentives to emerge within the research. Under this theme the employees where asked if they believed incentives motivated them, what kinds of incentives they are motivated by and if they believed staff discount cards are an incentive.

According to the literature incentive schemes are thought to be very important for the motivation of an employee, even during tough economic times such as a recession. Almost all of the employees in the store believed that incentive schemes do in fact influence their performance and motivation at work. Only 20% of these employees believed that they do not personally respond to incentives whilst the remaining 80% believe that they are receptive to incentive schemes. For these retail sector employees it was found that 71% of all those who where interviewed and participated in the questionnaires found themselves to be motivated by both financial and non financial incentives. Only 4% of the employees considered themselves to be motivated by non-financial incentives alone. This could be seen as reflective of the state of the current economic climate. Most individuals would not consider themselves as being motivated by non-financial factors at a time when many people within the country are struggling with financial difficulties. When the stores employees where asked to give examples of the incentives that they think would most motivate them at this point in

time the examples which where given include bonuses, vouchers, extra days leave (like paid holidays) and recognition.

Carpenito-Moyet (2003) suggests that an organisation should consider a person's position in Maslow's hierarchy of needs before they issue incentive schemes. Maslow believes individuals are motivated by whatever their level of needs is at any given time. When the employees where asked if they thought they where motivated by financial or non financial incentives one employee replied *'it depends on the circumstances, if I'm having money troubles it would be financial and if not it would be non financial'* (female, sales advisor, aged 30, 2years service). This demonstrates the strength of Maslow's theory and how important it is for a manger to understand the needs of their employees before issuing incentives. The first level in this theory is physiological needs, this would include such things as the employees wage rate, if the employee has financial problems this would be their level of motivation according to Maslow. However if they have satisfied the need for money they may move onto the next level which would be safety needs, this could be fulfilled by ensuring the employee feel's secure in their job. Again once this need is satisfied they move on to the next level and continue to do so.

Patterson (2011) believes that staff discount cards can be offered as incentive schemes to boost the motivation of employees. However not all the employees within the Jervis branch of Mothercare agree with this statement. In fact only 28% of all the employees think their staff discount cards are an incentive for them to work harder. The majority of the employees (65%) believe that their employee discount cards are a right that comes along with their employment in the organisation. These individuals

believe that they are entitled to receive their staff discount which allows them to buy the organisations goods at a reduced price. They do not believe that the provision of this card motivated them to work harder. When the manager of the store was interviewed, she said she believed the discount cards where an incentive to work. However considering that the majority of the employees do not regard their discount cards as an incentive, this should be brought to the manager's attention so that she could consider other incentives when making an effort to motivate her employees.

5.4 The Psychological Contract

The final research question of the study looked to answer 'what is the nature of the psychological contract within the organisation'. Guest (1998) says the psychological contract is all about perceptions, beliefs and promises while Armstrong (2009) adds that it's the unwritten expectations that exist between employee and employer. The employees involved where asked about their expectations and beliefs on the promises made to them. The type of psychological contract that these individuals have is what's known as transactional contracts. Thompson and Bunderson (2003) outline a transactional contract as involving the company providing the employee with a job security and a safe working environment and in return the employee fulfils their specified responsibilities. A breach of this type of contract is 'black and white' meaning the organisation clearly did or did not fulfil its obligations (Thompson and Bunderson 2003, p.576).

The majority of the employees in the store believe that the company has to some extent fulfilled the expectations that they had at the beginning of their employment with the organisation. From the employees agreeing that 'to some extent' they have

been fulfilled this stands to reason that some of their expectations have not been fulfilled, along side this when asked if the organisation keeps to the promises they made the majority again believed they 'sometimes' have. The organisation needs to address this problem, as if the employees believe the organisation only 'sometimes' deliver on their promises they may begin to lose their level of motivation, trust and commitment to the organisation (Tekleab et al 2005), thus their level of loyalty towards the Mothercare brand could dramatically decrease. According to Middlemiss (2011) the psychological contract has a strong impact on the behaviour of an employee. As seen through the research the majority of the employees said that they become annoyed and angry when their psychological contract is breached. Angry and annoyed employees become unmotivated employees who may not work to their full potential for the organisation. When interviewed one employee even admitted when their psychological contract has been breached that they found themselves ringing in sick to work without it being necessary, something that 65% of the employees have admitted to doing previously.

Considering that the majority of the employees believe their psychological contract has been breached (i.e. their expectations and promises made to them have not been fulfilled) this could be strongly linked to the fact that most of the staff admitted that they have considered leaving the organisation in the past year. As mentioned 65% confessed they have rang in sick to work when it was not necessary and 25% of employees have said they often try to get away with doing the minimum amount of work as possible. These factors could be related to the fact that the individuals believe the organisation does not always deliver on their promises. Because of this the company needs to look at ways in which they believe could ensure they are meeting

the expectations of their employees and delivering on the promises they have mde to them.

Tyagi and Agrawal (2010) believe it's important for the manager and supervisors to have a proper appreciation for the nature of the psychological contract and its importance. The manager of this store said she understands how important it is for an employee to feel their expectations have been met, along with any promises that are made to them. The manager even makes a suggestion as to how the organisation can improve on this. When asked what she believes the organisation can do to ensure the employees expectations have been met she replies *'More support and better communication with the employees on a regular basis'* (female, store manager, aged 26, 5years service).

CHAPTER 6: CONCLUSIONS & RECOMMENDATIONS

6.1 Conclusion

The motivation of an employee can be seen to have substantial effects on the success of an organisation. According to Arbutina (2011) motivated employees are a key ingredient in a company's success (Arbutina 2011, p.16). When an employee is motivated they tend to work harder (McFarlin 2006) and be more productive (Sullivan 2006). From the research conducted it is evident that retail sector employees are motivated by incentive schemes. The majority of this type of employee considers themselves to be motivated by both financial and non financial incentives. It would seem understandable for a company like Mothercare to put incentive schemes in place in order to try to motivate and drive their employees to work harder and increase sales for the company.

For an organisation like Mothercare who operate within the retail sector, customer service would be seen as a key factor in attempting to achieve success. Having motivated driven employees could help the company to achieve a competitive edge when it comes to customer service. Mothercare is known worldwide for attending to the needs of a mother and her family. The mother is seen as the companies target audience, with this being said the employees within the organisation should be working to achieve the best customer service possible for these Mothers, as unlike other retail stores this type of customer has the full potential to be a long term buyer within the store. A new mother could expect the store to provide her with everything she needs during her pregnancy and for at least till her child reaches between eight to ten years of age. This means that the companies target consumer could potentially be

a client of the organisation for up to ten years. Needless to say if the client has a bad experience in the store at the beginning of their pregnancy they will not continue to purchase their goods here. For this reason it seems understandable to say that the company could work to ensure their staff are highly motivated and committed to the organisation, Mothercare should consider their personnel as their most valuable asset at this chalanging time, and should seek to use this asset as efficiently and effectively as possible (Woodward et al 1997).

6.2 Recommendations

In order to keep their employees motivated and committed towards the organisation the company needs to ensure the employees psychological contracts are not breached, ensure their expectations are been met and try to issue incentives which correspond to the needs of their employees. The employees involved in the research considered themselves to be most motivated by salary increases, job security and recognition. At a time when the company may have tight control over their finances they may not be able to issue incentives which provides salary increases to the employees but can provide incentives which are of a non monetary basis. Some recommendations will now be given for the organisation under each factor of motivation.

Salary increases

As discussed previously it may not be possible for the organisation to provide salary increases to the employees as they currently have a pay freeze on their employees wages. However they could look at providing the employees with a provisional promise that if the annual sales for their store could increase by between 5%-10% on last years sales they could provide each employee with a small increase in their hourly

wage. This could potentially motivate the employees to work harder to drive sales as much as possible which would mean at the end of the year the organisation would have extra funds available that they would be able to provide salary increases to their employees in whichever store meets the annual target. If the store does not reach its target and doesn't make extra money then the company would not need to give these employees a pay rise as the money isn't there, this way the employees can only receive a pay rise if the funds become available ensuring the company is not under pressure to come up with more money to give to the employees. Even if the store doesn't reach the target chances are the employees have tried their best to get there, this will only work if the employees are motivated by the possibility of a rise in wages after there being a pay freeze for the past four years (which the research conducted proved they are).

Job security

This may be harder to use to motivate employees as given the state of the current economic climate its hard for any company to insist that their employees jobs are secure as things could go from good to bad rather suddenly. Communication, as suggested by an employee and the store manager, could be seen as a vital solution to help the organisation here. If the employees are constantly been made aware of the situation with the business they may feel content in their workplace. For instance if Mothercare believes they are in a strong position financially and feel their employees jobs are secure they could tell the employees and thank them for their hard work and dedication in making the company successful. On the other hand if the company is in a bad situation financially and the company believes that the employee's jobs are not secure they should communicate this with the employees in the best way possible as

soon as they are made aware of the situation. Most individuals appreciate honesty and if the organisation is open and honest with the employees they will not feel like their psychological contract (as seen within the research many consider job security as an expectation of their jobs) is being breached as they have been made aware of the situation in advance.

Recognition

This company could put a lot of effort into providing incentive schemes for employees whereby recognition is the key factor. This type of motivator has no costs to the organisation but could potentially provide them with major success in regards to pleasing their employees. One thing the company could do is an employee of the week/month scheme. This could be provided on an organisation or store level. Mothercare do provide an employee of the month scheme across their operations in Ireland, however when the employees involves in the research where asked about incentive schemes within their organisation very few mentioned the employee of the month scheme, in fact one even suggested their should be one, leading us to believe she had no idea the company had this scheme in place. In order for this type of scheme to be a success the organisation needs to make a bigger deal of the scheme, ensuring that ever employee is made aware of the fact it exists.

They could conduct an employee of the month scheme in very different ways; this could have financial and non financial aspects attached to it. If the organisation was to adopt the 'employee of the month' approach to this it could prove successful. The company could run this competition once a month across all their stores in Ireland. Once an employee is named employee of the month they could receive a certificate

and a small gift, this gift could mean some extra time off work, maybe a voucher for their closest shopping centre, or even a bunch of flowers. The gift the employee receives could be small in value and still the organisation could be seen as providing recognition to those staff that disserves it. As the current climate is in a downturn, Mothercare may not wish to pay out their funds on an incentive scheme like this once a month. If this is the case the company could suggest that if any one person receives employee of the month three times they then receive a financial award from the organisation. This way the company would not have to compensate the winners each month, but would only have to provide the funds for this at most four times a year.

If the company where to adopt any of these recommendations set out above they could potentially increase their employees level of motivation and satisfaction within their jobs. Over half of the stores Jervis Street store employees have a low to medium level of satisfaction and motivation in their jobs, if the company was to put a plan in place to improve this they could potentially see the same improvements been made to the stores profit margins.

CHAPTER 7: REFERENCES

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CHAPTER 8: APPENDIX

8.1 Maslow's Hierarchy of Needs
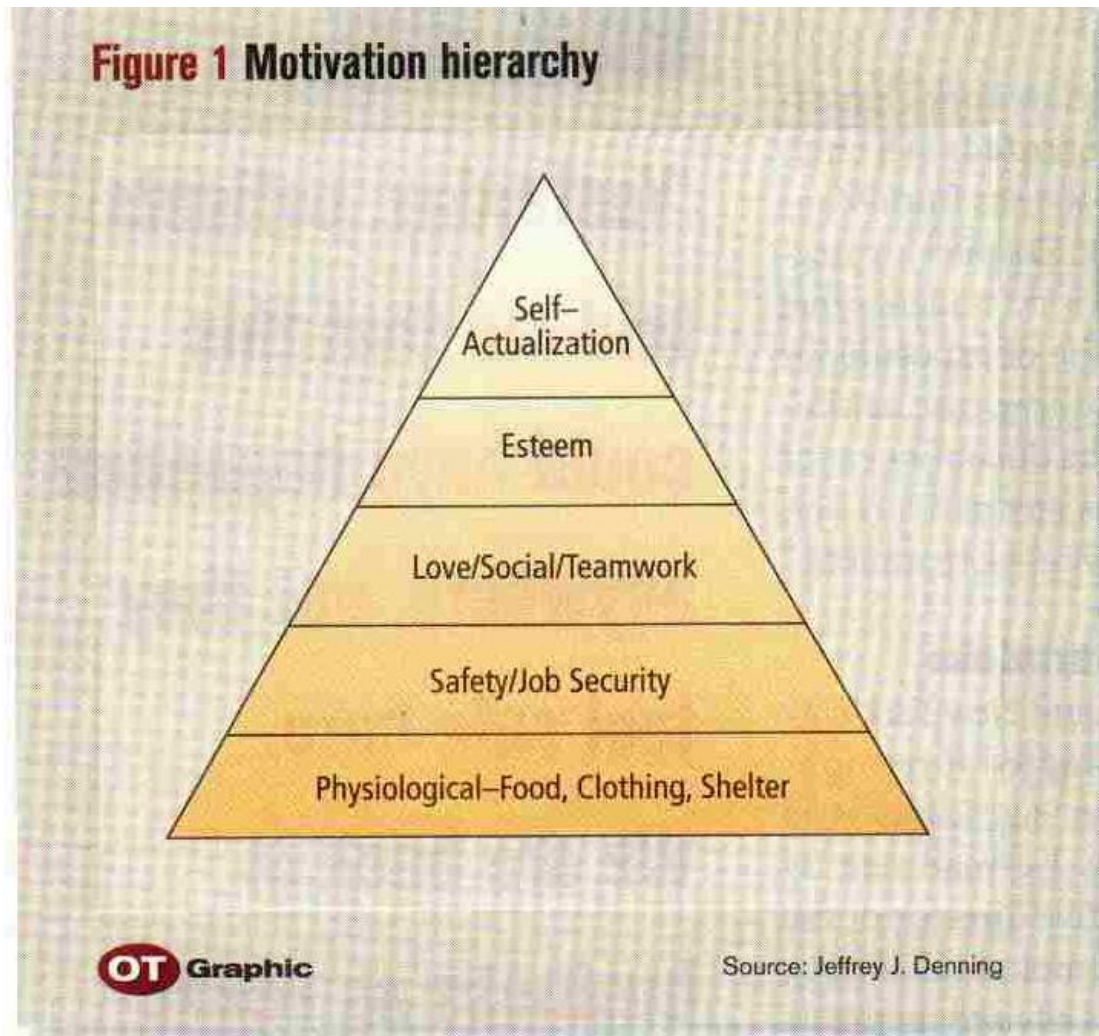
Figure 1 Motivational model created by psychologist Abraham Maslow.

Cited from Denning (2001)

8.2   Store Organization Chart

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                            ┌─────────────────────┐
                            │    Store Manager    │
                            └─────────┬───────────┘
    ┌─────────────────────┐          │
    │  Assistant Manager  │──────────┤
    └─────────────────────┘          │
    ┌─────────────────────┐          │
    │     Supervisors     │──────────┤
    └─────────────────────┘          │
    ┌─────────────────────┐          │
    │   Sales Advisor's   │──────────┘
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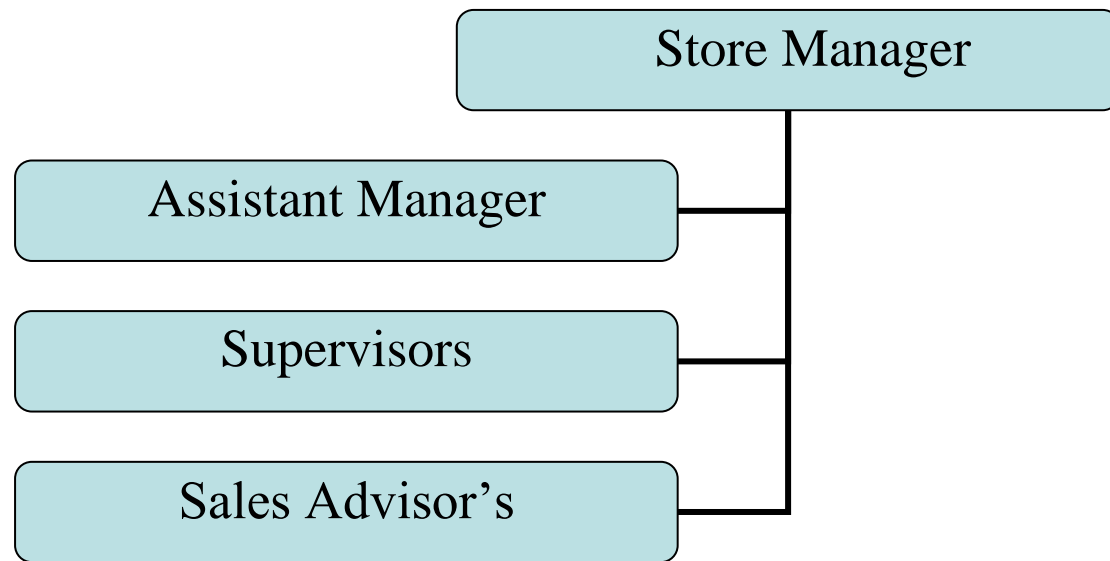
8.3   Interviews

8.3.1 Interview 1: Store Manager

Date 30th July 2011

Location: Jervis Street Store

How long have you been working for the organisation?

5 years.

What is your current position within the organisation?

I'm the Store manager here in Jervis.

What age are you?

26.

How satisfied are you in your job?

Just satisfied id say.

What is the reason for this?

I believe I could receive more support within my role as manager of the store.

As a member of management what are the factors that motivate you to do your job?

Recognition and job security help motivate me to do my job.

Do you believe that incentives influence your motivation and performance at work?

Yes to a certain degree I believe they do.

Do you believe you are most motivated by financial or non financial incentives?

I believe I'm motivated Mostly by non financial incentives, but both types help.

In regards to the staff discount cards that are given after 6months employment in the organisation do you believe these are a right of your employment or an incentive to work?

I think that they are an Incentive to work.

How secure do you feel in the organisation?

Very Secure.

Do you feel job security exists within the organisation?

Yes I do.

Have you considered leaving the organisation in the past 12months?

No I have not.

Do you think it's likely that you will still be employed with Mothercare this time next year?

Yes.

Would you consider spending the rest of your career in the organisation?

Yes I think I probably will.

How important do you feel it is for your employees to feel motivated?

I think it's very important to have most if not all the staff feel motivated to work.

What do you think can be done in order to boost employee's motivation?

I think that better communication within the company could improve this and also more structure.

The psychological contract is the unwritten expectations/promises that exist between you and your employer. What where the expectations you had from the organisation at the beginning of your employment, what are the kind of factors that where promised to you?

I was promised a lot of bonuses and career advancement opportunities.

Do you believe the organisation has not kept the promises that where made to you?

No they have not kept all promises, although I have had the opportunity to advance within the company I still do not believe that they have kept all the promises that where made to me.

When this happens how does it make you feel?

Resentful and annoyed

What do you believe the company could do in order to help you fulfill these expectations?

Give me more support in my role as manager.

Given how you felt when your own expectations have not been met, how important do you feel it is to ensure that the employee's expectations of working for the organisation have been met?

Very important.

What do you feel the organisation could do in order to ensure their expectations have been met?

More support and better communication with the employees on a regular basis.

Would you consider yourself as being are loyal towards the organisation?

Yes I would.

Would defend it if anyone criticized it?

Yes I would.

Thank you very much for your time

8.3.2 Interview 2

Date   22nd July 2011

Location: Jervis Street Store

How long have you been in employment within the organisation?

I've been working for Mothercare for over five years now.

What is your position within the organisation?

Sales advisor.

What age are you?

21 years old.

How satisfied are you in your job?

I'd say I'm happy enough in my job, id like to work towards an increase in pay but there's a pay freeze at the moment.

How motivated do you believe you are in work?

It depends, I think I'm a highly motivated person in the job who works hard, however I do have the off days that everyone else does where I don't work to my full potential.

How do you believe your level of motivation could be improved?

An increase in my wages (participant laughs)

Do you believe that incentives influence your motivation and performance at work?

Yes, I think I'm more motivated by the thought of receiving a bonus at the end of the job.

Do you believe you are most motivated by financial or non financial incentives if any?
Financial incentives Id say.

What kind of factors motivates you to do your job?
My wages would probably be first here, job security would be important to me to id be happy to know there's no worry of losing my job.

Has the organisation ever provided any incentive schemes?
Yes, there's an employee of the month scheme. Sometimes there are instore competitions for different departments. Say for instance if a certain amount of a particular item is sold, or the first person to sell a particular amount of an item would win a voucher for their hard work.

Sounds good, how did you personally react in particular to these incentives?
Honestly I think I work well given an extra incentive to do something, when there was an opportunity to win a voucher for instance I worked harder in order to try drive sales and win the competition.

In regards to the staff discount cards that are given after 6months employment in the organisation do you believe these are a right of your employment or an incentive to work?
I believe that it's a right, most places provide their employees with a discounted price on their products and I think that it's right for them to do so; it's a way of giving back to the employees.

Do you believe job security exists within your organisation?
It's hard to say at the moment, we're in a recession so I don't believe any person can safely say that they don't worry about their job security.

Have you considered leaving the organisation in the past 12months?

Yes.

Why did you stay?

Because there no job opportunities at the time, and I would have financial difficulties.

Are you glad you stayed?

Most days yes.

Do you think it's likely that you will still be employed with Mothercare this time next year?

I'm honestly not sure; I have recently just finished college and would prefer to pursue my career that I have been studying.

***The psychological contract is the unwritten expectations/promises that exist between you and your employer.* What where the expectations you had from the organisation at the beginning of your employment, what are the kind of factors that where promised to you?**

The promises made to me where the usual, a fair wage and a safe working environment. For the expectations I expected to be treated fairly like every other individual, to be treated with respect and feel my opinions matter like anyone else's and also to have the opportunity for advancement within the organisation.

Do you believe your psychological contract has ever been breached, i.e. do you believe the organisation has not kept the promises that where made to you?

Most of the time yes I feel like all my expectations I had at the beginning where met. However I have had my fair share of bad days in work, you know when you feel that the company don't have your best interests at heart. This could happen over anything a disagreement or a difficult customer where you receive no support.

How have you reacted to a breach here?

Well as I mentioned there are times when you just don't want to go to work, if this happens you may find yourself ringing in sick to the job without it being necessary or not doing your job when you do come to work.

What do you believe the organisation could do in order to help you fulfil these expectations?

Communication is important I think, I expected to always feel secure in my job. If there's a problem with the company I feel its best that we know.

Would you consider yourself as being loyal towards the organisation?

In what way do you mean?

Well say someone was criticizing the company, would you defend the organisation.

Yes I think I probably would especially if it was a lie, I think it would be only right to set them straight.

Thank you for your time you have been very helpful.

8.3.3 Interview 3

Date: 24ᵗʰ July 2011
Location: Jervis Street Store.

How long have you been working for the organisation?

The past four years.

What is your position within the organisation?

I'm a Sales Advisor.

What age are you?

19.

Are you satisfied in your job?

No I'm not.

What are the reasons for this level of dissatisfaction?

I don't feel I'm treated correctly, I feel that there is often more expected of you than what your position requires you to do.

How motivated do you believe you are in work?

I don't believe I am as motivated as I was in the first year or two in the job.

How do you believe your level of motivation could be improved?

If I was treated better in the job and recognised for the work I do.

Do you believe that incentives influence your motivation and performance at work?

Yes.

Why?

I think they make me work harder.

Do you believe you are most motivated by financial or non financial incentives?

Financial definitely.

What kind of factors motivates you to do your job?

A salary increase would motivate me.

In regards to the staff discount cards that are given after 6months employment in the organisation do you believe these are a right of your employment or an incentive to work?

An incentive to work.

How secure do you feel in the organisation?

Not secure enough.

Do you believe job security exists within your organisation?

No I don't think it does.

Have you considered leaving the organisation in the past 12months?
Yes.

Why did you stay?
I had financial worries.

Do you think it's likely that you will still be employed with Mothercare this time next year?
No I don't think I will.

Why is that?
I want to go in a different direction.

The psychological contract is the unwritten expectations/promises that exist between you and your employer. **What where the expectations you had from the organisation at the beginning of your employment, what are the kind of factors that where promised to you?**
Salary increases and job security.

Do you believe your psychological contract has ever been breached?
Yes.

How this make you feel/how did you react?
In the 4 years I've been at Mothercare, I have never gotten a raise, sometimes this makes me feel like I don't want to want to come to work and feel unmotivated to work while I am here.

What do you believe they could do in order to help you fulfil these expectations?
Raise my wage rate, as for as long as I have been employed in the company I have never received a rise and am still on minimum wage, if this where to happen I feel I would be much happier in my job.

Would you consider yourself as being loyal towards the organisation?
Yes.

Would you defend the organisation if someone was to criticise it?

I believe I would yes.

Thank you for your time.

8.3.4 Interview 4

Date: 25th July 2011

Location: Jervis Street Store

How long have you been working for the organisation?

Just about two years now.

What is your position within the organisation?

Sales advisor.

What age are you?

30.

How satisfied are you in your job?

I'd say I'm fairly satisfied.

What are the reasons for this?

I like my job and feel I'm good at it.

How motivated do you believe you are in work?

Not motivated enough at the moment, I've been more motivated in the past.

How do you believe your level of motivation could be improved?

If I was to be recognised more for the work I do.

Do you believe that incentives influence your motivation and performance at work?

Sometimes yes I think they do.

Why?

Depending on the situation they can make you want to work harder to receive something extra.

Do you believe you are most motivated by financial or non financial incentives?

Id say both, it depends on the circumstances. If I'm having money troubles it would be financial and if not it would be non financial.

What kind of factors motivates you to do your job?

Honestly, getting paid is defiantly what motivates me to do my job at the moment.

Has the organisation ever provided any incentive schemes?

Yes they have.

What kind of schemes have they provided?

They have had one where, if you meet your sales target or sell more than anyone else you could receive a voucher or other bonus.

In regards to the staff discount cards that are given after 6months employment in the organisation do you believe these are a right of your employment or an incentive to work?

For me there an incentive to work, as I have small children I buy a lot from the store. The discount card really helps.

How secure do you feel in the organisation?

Very secure at the moment.

Do you believe job security exists within your organisation?

At the moment yes I think it does, however we are in a recession I feel nobody could say there job is totally secure.

Have you considered leaving the organisation in the past 12months?

No I haven't.

Do you think it's likely that you will still be employed with Mothercare this time next year?

I hope I will yes.

The psychological contract is the unwritten expectations/promises that exist between you and your employer. What where the expectations you had from the organisation at the beginning of your employment.

I had many expectations including job security, recognition for a job well done, wage increases.

Do you believe your psychological contract has ever been breached, i.e do you believe the organisation has not kept the promises that where made to you?

Mainly I think the company keeps their promises to the best of their ability, I expected some salary increases, however with the economy the way it is, it's not possible for the company to facilitate this.

How does this make you feel when they don't meet your expectations?

As mentioned at the moment I don't feel it's the companies fault with the way things are I think their trying to survive a bad economy and hopefully when things pick up my wage rate can improve.

I'd say you're fairly understanding when it comes to this?

Well yes its not fair to put all the blame on the company as its something all companies are doing at the moment in order to survive, its life really and hopefully things improve soon.

Would you consider yourself as being loyal towards the organisation?

Yes I think I am.

If someone was to criticize the organisation would you defend it?

Yes I definitely would, I believe it's a good company to work for.

8.3.5 Interview 5

Date: 27th July 2011

Location: Jervis Street Store

How long have you been working for the organisation?

I have been working for Mothercare for the past four years.

What is your position within the organisation?

I am currently a sales adviser in this organisation.

What age are you?

I'm 22 years old.

Are you satisfied are you in your job?

Yes, I am fairly satisfied in this job.

What are the reasons for this level of satisfaction?

There are a number of reasons as to why I am satisfied in this job. My current contract is a permanent part-time worker. I am satisfied with this particular contract as it means I do not have to fear the loss of my job unless it is necessary. In the current economic climate this type of contract is most ideal. I have also worked in the company long enough to feel happy and at ease which adds to my level of satisfaction in the job. Although there are a variety of reasons as to why I am satisfied in this job there are also an equal number of dissatisfactions. As you may be aware of, the current economic climate is in an inexcusable state. Unfortunately for me this has certain ramifications within the working environment. I am dissatisfied due to the fact that there is currently a pay-freeze within the company. This prevents any prospect of a raise in wages. Also, hours are limited which leads to further dissatisfaction. While this may be the case, the company are doing there best to satisfy workers within this recession.

How motivated do you believe you are in work?

I believe I am somewhat motivated in work. Honestly speaking there are times when I am not motivated to work. At times like this I try to do the minimum work possible.

How do you believe your level of motivation could be improved?

It seems fitting to say that incentives are one of the major motivators for me in work.

Do you believe that incentives influence your motivation and performance at work?

Yes, I believe incentives influence my motivation and performance at work immensely.

Why?

If a person is given a goal to work towards I believe it motivates them to want to work harder and better. Receiving incentives makes a person feel good about themselves and the work they do.

Do you believe you are most motivated by financial or non financial incentives if any?

I believe that financial and non-financial incentives are equally motivational.

What kind of factors motivates you to do your job?

For me, at the moment, money is the biggest motivator. Therefore, as long as I'm getting the hours to help meet my financial demands I'm happy.

Has the organisation ever provided any incentive schemes?

Yes there are a number of incentive schemes in the company which I have been made aware of.

In regards to the staff discount cards that are given after 6months employment in the organisation do you believe these are a right of your employment or an incentive to work?

I believe it is a right of employment.

How secure do you feel in the organisation?

I feel that my job is secure although the hours I am working are not. Extra hours are no longer a sure thing.

Do you believe job security exists within your organisation?

Yes, I believe security exists. Unlike many other companies the Mothercare name stands strong, caring for families is a strong market regardless.

Have you considered leaving the organisation in the past 12months?

No, I have not considered leaving the organisation in the last 12 months although the thought has occurred before.

When this thought occurred before, why did you stay?

Job security was a major reason. Also the fact that there were limited job prospects available elsewhere.

Do you think it's likely that you will still be employed with Mothercare this time next year?

Yes I think it is likely that I will still be employed this time next year.

***The psychological contract is the unwritten expectations/promises that exist between you and your employer.* What where the expectations you had from the organisation at the beginning of your employment, (what are the kind of factors that where promised to you at the start)**

My expectations were simple. I worked for financial support through college.

Do you believe your psychological contract has ever been breached, i.e do you believe the organisation has not kept the promises that where made to you?

No.

What do you believe the company could do in order to continue to fulfil your expectations?

Stop the pay-freeze.

Would you consider yourself as being loyal towards the organisation?

Yes I believe I am as loyal as I can be towards the organisation.

If someone was to criticize the organisation would you defend it?

Yes, I think I would.

Thank you very much for your time.

8.4 Questionnaire

Dear Participant,

Thank you for agreeing to take part in my research. This Questionnaire is for my Dissertation, as part of my MSc in Management at National College of Ireland. As this is for academic purposes all information shared by participants will be **strictly confidential**. Please tick the relevant boxes on all questions.

Thank you in advance for your time.

Section 1: Motivation

Q1. How would you describe your current level of job satisfaction?

Low	Medium	High

Q2. How would you describe your current level of motivation within your job/role?

Very high	High	Low	Very Low

Q3. Can incentives influence your motivation and performance levels at work?

Strongly agree	Agree	Disagree	Strongly Disagree

Q4. What types of incentives do you believe motivate you the most?

       Financial Incentives ☐   Non Financial Incentives ☐

       Both Financial and Non Financial Incentives ☐

Can you give examples………………………………………………………………

Q5. When your organisation offers incentive schemes how do you feel you personally respond to them as a motivator?

Very strongly	Strongly	Poorly	Very Poorly

Q6. Please Rank the following Factors of Motivation in order of Importance to you. (Please start with 1 being most important and 6 being the least important)

Salary increases	Status	Promotion	Recognition	Job Security	Holiday Benefits

Q7. Do you believe you're rewarded fairly for the amount of effort you put into your job?

Strongly agree	Agree	Disagree	Strongly Disagree

Q8. In relation to staff discount cards do you believe they are?

A right of your employment	An incentive to work

Q9. How secure do you feel in your present job?

Very Secure	Fairly Secure	Fairly Insecure	Very Insecure

Q10. Would you consider leaving your job for another if you were unhappy?

Yes ☐   No ☐

Q11. In the past 12 months how often have you:

	Often	Sometimes	Rarely	Never
Considered leaving your Job				
Looked for new jobs				

Q12. How likely do you think it is that you will still be employed with Mothercare in the next 12months?

Very Likely	Likely	Unlikely	Very Unlikely

Section 2: The Psychological Contract

The psychological contract is the unwritten expectations/promises that exist between you and your employer – the terms of exchange between you and your employer.

Q13. To what extent do you feel that the expectations you had at the beginning of your employment have been fulfilled?

Yes All of them	To some extent	Not at all

Q14. Has Mothercare kept the promises they made to you at the beginning of your employment?

Yes, Always	Sometimes	No, Never

Q15. How often do you feel the organisation keeps to their promises?

Often	Sometimes	Rarely	Never

Q16. When/if the organisation doesn't deliver on their promises how do you feel?

Annoyed	Angry	Betrayed	Understanding

Q17. How often have you:

	Often	Sometimes	Rarely	Never
Criticised the company to people outside work				
Taken a day off work sick when you where actually able to work				
Done the minimum amount of work possible that you think you could get away with				

Q18. How would you rate your performance in work compared to last year's performance?

Much better	Better	The same	Poorer	Much poorer

Q19. To what extent do you work to fulfil the expectations that Mothercare has of you?

High	Medium	Low

Q20. How would you describe your current level of loyalty towards the Mothercare organisation?

High	Medium	Low

Q21. Would you defend the organisation if anyone criticised it?

Yes	Maybe	No

Section 3: Personal Information

This section does not require you to give any specific personal information as the questionnaire is anonymous and will not reflect your job in any way.

Q22. What age bracket do you fall under please tick the relevant box?

     15-19 ☐   20-24 ☐   25-29 ☐   30-34 ☐

     35-40 ☐   40-50 ☐   50-60 ☐   60+   ☐

Q23. How long have you been employed with Mothercare?

     < 1year   ☐   1-2 years   ☐   3-4 years   ☐
     5-6 years   ☐   7-8 years   ☐   9-10 years   ☐
     10-15 years   ☐   15 years +   ☐

Q24. What is the average amount of hours you work per week?

     1-10 hours   ☐   10-15 hours   ☐   15-20 hours   ☐

     20-25 hours   ☐   25-30 hours   ☐   30-35 hours   ☐

     35-40 hours   ☐   40 hours +   ☐

Thank You for Your Time